November 1, 2000

Planning Commission Meeting
November 7, 2000

TO: Honorable Chairperson and Planning Commissioners

FROM: Community Development Director

SUBJECT: HOUSING ELEMENT UPDATE – ADVANCED DISTRIBUTION**

In preparation for the Planning Commission's November 7, 2000 meeting, attached hereto is a copy of the draft update/amendment of the Housing Element of the City's General Plan. Because of the number of pages of the document, I am transmitting it to you in advance of the meeting to provide you with an adequate time frame in which to review its contents.

Please pay particular attention to the "Evaluation of Prior Housing Element" and "Goals, Policies and Programs" sections of the document in that once the language has been forwarded to the State Housing and Community Development Department for its consideration, if supported by the State, the City will be responsible for fulfilling the commitments therein.

Also attached is a summary of proposed modifications to programs prepared by Mr. Jeff Goldman, the City's Consultant that outlines the most significant changes to the Element. If, after reading the documents you have any questions or comments please do not hesitate to contact me, I can be reached at (909) 922-3131.

Roger Derda
Community Development Director

Attachments: "General Plan Housing Element 2000" / Administrative Draft – 10/26/00
"Summary of Proposed Modifications to Programs.."

** **COMMISSIONERS - PLEASE BRING THIS DOCUMENT TO THE PLANNING COMMISSION MEETING SCHEDULED FOR NOVEMBER 7TH.**

CC: Chairman Barsh, Commissioner Escandel, Commissioner Irizarry, Commissioner Russo

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SUMMARY OF PROPOSED MODIFICATIONS TO PROGRAMS BANNING HOUSING ELEMENT

General Changes

The policies and programs have been reorganized according to the four primary goals of the updated Housing Element, which remain the same as the current Housing Element:

Provide a wide range of housing types to meet the existing and future needs of planning area residents.

Enhance the quality of existing residential neighborhoods in Banning.

Ensure that new housing is sensitive to existing development as well as the natural environment.

Promote equal opportunity for all residents to reside in the housing of their choice.

Programs that relate to each of these goals appear immediately following the policies for that goal. Unless otherwise indicated, there have been no substantive changes to policies. All timeframes have been modified to reflect the planning period for the updated Housing Element and to acknowledge existing programs that were established under the current Housing Element and which are now ongoing.

Specific Changes

Goal 1

Program 1.1 (former Program 7) – Land Use Element/Zoning Ordinance: The quantified objective has been updated to reflect the current RHNA allocation of 1,780 dwelling units between January 1, 1998 and June 30, 2005.

Program 1.2 (former Program 11) – Density Bonus: **No substantive changes.**

Program 1.3 (former Program 12) – Mortgage Revenue Bond Financing: **The following addition is proposed to the program:**

. *The City's participation in bond financing is limited to:*

1. *identifying interested developers of ownership housing (either single family or multifamily) who can inform purchasers of their homes of this funding source;*
2. *identifying interested multifamily developers of the financing opportunity for a rental housing development; and*

3. *contributing to the administrative costs of obtaining bonding authority and issuing bonds.*

Objective: *Participate in one bond-funded housing project for ownership housing and one for rental housing during the five-year period of this Housing Element. To achieve these objectives, Agency staff will do the following during 2001:*

1. *meet with representatives of Riverside County to determine interest in, and feasibility of issuing bonds;*

2. *reach an agreement on the City/Agency's financial participation if a bond issuance is determined to be feasible;*

3. *promote the availability of the bond financing within the local development community to generate interest in using this resource to develop affordable housing units meeting bond program requirements; and*

4. *Refer interested developers to Riverside County for participation in the program.*

Program 1.4 (former Program 13) – Mortgage Credit Certificates: No substantive changes.

Program 1.5 (former Program 18) – Efficient Processing: The following addition is proposed to the program:

The City will provide a one-stop process for a developer with an affordable housing project. An interagency approval process system will be established to include the City Planning, Building, Public Works and Fire Departments. A designated individual within the Planning Department will act as the project manager, or liaison, for the participating City departments and the applicant. A timeframe with milestones for development approval will be established for each project to ensure processing in a timely manner. The City will also prepare a permit handbook that explains the permits process and application requirements.

Program 1.6 (former Program 19) – Development Fees: The following addition is proposed to the program:

Program 1.5, "Efficient Processing" will address fee schedules for affordable housing and senior citizen projects. Program 1.6 " Development Fees" will address development and processing fees."

The City intends to keep fees low to provide for infrastructure development. The City will do so by annually reviewing its fees to make sure they are affordable compared to other communities.

Program 1.7 (former Program 17) - Zoning Ordinance: The following additions are proposed to the Program (noted bold text):

The City of Banning had developed a comprehensive Zoning Ordinance to implement its General Plan. The following regulations in the City's Municipal Code facilitate the conservation and development of affordable housing:

- *Provisions for specific plans, which provide for flexibility in density and mix of land uses* ***was added to the Zoning Ordinance in 1992.***
- *Provisions for manufactured housing and mobile home development in single-family* ***zones have been in place since 1983.***
- *Provisions for second units on single-family lots* ***were included in the Zoning Ordinance in 1993 but only allowed by a conditional use permit, in the R-1, R-1-70, R-2, and R-3 zones. These units are only for family members of the property owner and are not available for rent.***

The City will continue implementing these Zoning Ordinance provisions, with the following changes:

Amend the Zoning Ordinance to eliminate occupancy restrictions relating to family status as long as the secondary unit meets minimum development standards set forth in the Zoning Ordinance.

Amend the Zoning Ordinance to allow for reduced parking for any affordable housing development which can demonstrate that (a) the modified standards will meet the objectives of the City's parking requirements; (b) are necessary for the financial feasibility of the project; and (c) will not result in the use of on-street parking by residents. If such findings are made, parking standards for affordable housing will be modified, based on the number of bedrooms, to reflect actual parking demand in the proposed project location. The City will permit, as appropriate on a case-by-case basis, parking alternatives that meet development guidelines for screening of parking from public view.

Amend the Zoning Ordinance to allow mixed-use residential/commercial structures without limiting housing to one unit occupied by an owner or operator of the business to which the housing unit is attached. The amendment should also include parking standards to ensure that the presence of housing in a mixed-use structure does not result in on-street parking during regular business hours by residents of the housing portion of the structure.

Program 1.8 (former Program 10) – Section 8 Rental Assistance: **The following addition is proposed to the Program:**

It is impossible to predict the number of additional housing vouchers or certificates that will become available to residents of Banning, as the Section 8 Programs is administered by the Riverside County Housing Authority and federal funding levels are determined on an annual basis. The City can facilitate use of Section 8 program by encouraging apartment owners to list available rental units with the County Housing Authority for potential occupancy by tenants receiving Section 8 certificates.

Program 1.9 (former Program 9) – Sites for Shelters/Transitional Housing: **No substantive changes.**

Program 1.10 (former Program 14) – Shared Housing: The following changes are proposed (additional noted in bold, deletions in strike-out):

Many seniors who would prefer to live independently must resort to institutionalized living arrangements because of security problems, loneliness, or an inability to live entirely independently. The shared housing programs operated by the County assists low-income individuals 18 years of age and older in locating roommates to share existing housing in the community; the majority of the program's applicants are senior citizens. Services offered are include information and referral, outreach, client counseling, placement and follow-up. ~~Monthly rental rates are generally between $250 - $275, providing~~ ***Shared housing*** *provides an affordable housing alternative for many single-person households.*

The City of Banning should assist the County in advertising the shared housing program through placement of program brochures in key locales throughout the community.

Responsible Agency: Redevelopment Agency
Timeframe: Current and ongoing
Funding: Low/Moderate-Income Housing Set-Aside Fund
Objective: ~~15-20~~ 10 roommate matches per year.

Program 1.11 (former Program 15) – Affordable Housing Development with a Nonprofit Partner: **The following additions to the program are proposed (noted in bold):**

A non-profit housing corporation works to develop, conserve and promote affordable housing, either owner or renter-occupied. Particularly in relation to senior citizens housing (such as HUD Section 202 projects), the non-profit is often a local religious organization interested in developing affordable housing. The non-profit is often involved with what is called "assisted housing", where some type of government assistance (such as Section 8) is provided to the individual household to keep rents affordable. ***Prior nonprofit agency activities were administered in conjunction with the Banning Partners for a Revitalized Community, which is no longer active. One Program, the Homebuyers Assistance Program, was eliminated in 1995 because of reductions in tax increment funds to the Agency and the priority of other programs that emphasized housing rehabilitation and neighborhood preservation.***

The Redevelopment Agency will solicit participation by one or more new nonprofit housing organizations interested in developing affordable housing in Banning. A Draft Five-Year Implementation Plan (1999-2004) for the Downtown and Midway Redevelopment Project Areas has been adopted. A portion of the Plan calls for a cooperative effort between the Redevelopment Agency and a local chapter of the Habitat for Humanity. The Redevelopment Agency will explore opportunities to construct affordable housing with non-profit housing developer.

Responsible Agency: Redevelopment Agency

Timeframe:	***Identify and meet with nonprofit organization representatives by June 2001; establish partnering arrangement by December 2001.***
Funding:	***Depends on nonprofit program activities/projects, but could include federal Section 8 Program, Section 202 Program, Mortgage Bonds, Redevelopment Agency Low/Moderate-Income Housing Set-Aside funds, HOME Program funds***
Objective:	***Establish ongoing working relationship with at least one nonprofit organization to administer housing programs and/or affordable housing developments***

Goal 2

Program 2.1 (former Program 2 Home Improvement Program: The following additions are proposed to the program (noted in bold):

The Riverside County Community Development Department administers a Home Improvement Program to provide loans to eligible lower income families for necessary home repair and rehabilitation work, including room additions to alleviate overcrowding. The Program provides low interest loans, deferred payment loans, and loans for mobile-home repair. Cooperating cities transfer Community Development Block Grant (CDBG) funds, and any other targeted funding, to the County for implementation of home Improvement Programs in their jurisdiction. The County tailors rehabilitation programs to meet the specific needs of cooperating cities. ***This program was formerly administered in conjunction with the Banning Partners for a Revitalized Community, which is no longer active.***

A new program, along the same lines, has been established and administered by the Banning Redevelopment Agency and works in conjunction with the Riverside County program. The Housing Exterior Rehabilitation Assistance Program (ERA) assists low- and moderately low-income households in upgrading the exterior of their home. The Program provides funds up to $7,500 per property for the improvements such as new roofs, paint and yard clean up.

Responsible Agency:	***Redevelopment Agency***
Timeframe:	***Current and ongoing***
Funding:	***Low/Moderate-Income Housing Set-Aside funds.***
Objective:	***Rehabilitate 15 dwelling units per year (75 over 5 years)***

Program 2.2 (former Program 5) - Code Enforcement: The following additions are proposed to the program (noted in bold):

The objective of the City's code enforcement program is to bring substandard housing units into compliance with City codes. Potential code violations are identified based on complaints reported to the City, and often through property maintenance inspections. If the structure appears unsound, a City building official will schedule a meeting to inspect the residence and prepare a written notice as to any existing deficiencies. The property owner is given a reasonable time frame in which to respond, and is given extra time if

progress is demonstrated. ***The City will continue its sensitive enforcement of residential Building codes, and will inform property owners in violation of City codes of any rehabilitation assistance he/she may be eligible for in correcting code violations.***

To implement this Program, the City will fund a half-time position for a Neighborhood Code Enforcement Officer. This individual will identify problems throughout the City and work with property owners to resolve code and property maintenance issues. The Neighborhood Code Enforcement Officer will have training in the Uniform Building Code and other applicable model codes as well as knowledge of housing rehabilitation standards.

Responsible Agency: ***Redevelopment Agency***
Timeframe: ***Establish pilot program for a two-year period, beginning fiscal year 2001/2002. Report to the City Council July 1, 2003 on the usefulness of the program in reducing substandard properties***
Funding: ***Low/Moderate-Income Housing Set-Aside funds***
Objective: ***Depends on demand for the program and the number of complaints***

Program 2.3 (former Program 6) – Purchase of Abandoned Homes: The following additions are proposed to the program (noted in bold):

To upgrade and revitalize blighted neighborhoods and deteriorated residential units, the City of Banning Redevelopment Agency will purchase abandoned homes and provide necessary rehabilitation. ***This program was formerly administered in conjunction with the Banning Partners for a Revitalized Community, which is no longer active. A new program, along the same lines, had been administered by the Banning Redevelopment Agency. The Redevelopment Agency and HUD have purchased four homes to restore and are currently looking for a non-profit agency to partner to start the project.***

Agency: ***Redevelopment Agency***
Timeframe: ***Current and ongoing***
Funding: ***Low/Moderate-Income Housing Set-Aside funds; CDBG funds***

Objective: Rehabilitate 5 units per year (25 units over 5 years)

Former Program 1 – Neighborhood Reinvestment Corporation/Banning Partners for a Revitalized Community (BPRC): BPRC is not longer active. Banning will look for partnering opportunities with other nonprofit organizations.

Former Program 3 – Senior Home Repair Program: Senior home repair needs can be accommodated under other programs continued in the update Housing Element.

Former Program 4 – Rental Rehab Program: This program is still active through Riverside County.

Goal 3

Program 3.1 (former Program 8) – Site Suitability Criteria: **This program is proposed to be re-worded as follows:**

The City will continue to use the Design Review Process (Article 16E of the Zoning Ordinance) to evaluate site suitability. Under design review criteria, housing should be located on sites that are physically adequate and environmentally suitable for such development and compatible with existing nearby development. These criteria will provide a yardstick for the City to identify and evaluate potential sites for environmentally sound housings. Criteria for this housing will be implemented through the City's Zoning Ordinance. In establishing its own criteria, the City should consider those already set forth by other jurisdictions, including the State and Federal governments. Criteria for grading the suitability of sites may include the following:

1. *services available to the Site (e.g., public transportation essential shopping facilities, education facilities, etc.);*

2. *neighborhood characteristics (e.g., adjacent land uses, proximity to employment opportunities, environmental consideration, noise levels, etc.); and*

3. *physical aspects of the Site (e.g., topography, off-site improvements, etc.).*

Agency: *Planning Department*
Timeframe: *Current and ongoing*
Funding: *Development fees*
Objective: Ensure that all new development comply with site suitability criteria

Goal 4

Program 4.1 (former Program 20) – Equal Housing Opportunity: **The following additions are proposed to the program:**

The County's Fair Housing Program also incorporates the Community Housing Resource Board (CHRB) program component. The CHRB is designed to work with the real estate and building industry to implement and monitor the activities of the National Voluntary Affirmative Marketing Agreement (VAMA), in the areas of rental, sales, advertising, training and recruitment. The qualification of program achievement can only be measured through the settlement of disputes and the prevention of resident dislocation, loss of occupied units, and stabilized vacancy factors as a result of the efforts of the Fair Housing Program.

The City's role in supporting the County's Fair Housing Program is to provide information on the program to interested individuals, host fair housing events, and refer individuals with fair housing complaints to a program representative.

Responsible Agency: *Redevelopment Agency*
Timeframe: *Current and ongoing*
Funding: *CDBG, County funds*
Objective: *Promote equal housing opportunity; educate the public, real estate industry representatives, lenders, and property owners on fair housing requirements; promptly refer and resolve fair housing disputes.*

Quantified Objectives

New quantified objectives are proposed, as shown in the following table:

	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total
Designate Sites to Meet the RHNA New Construction Need at a Minimum	481	289	405	605	1,780
Anticipated Units to Be Constructed (Assisted & Market Rate)	50	200	405	604	1,259
Housing Units to be Preserved*	75	50	N/A	N/A	125
Housing Units to be Conserved**	0	0	N/A	N/A	0

*No quantified objective has been established for moderate- or above moderate-income households—the City assumes such households will be able to maintain their homes with private funds.

**No rental housing units have been identified as being at-risk during the planning period.

CITY OF BANNING

GENERAL PLAN HOUSING ELEMENT 2000

ADMINISTRATIVE DRAFT
October 26, 2000

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INTRODUCTION

The Housing Element of the General Plan is a comprehensive statement by the City of Banning of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this Element are an expression of the statewide housing goal of "attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community. The purpose of the Housing Element is to establish specific goals, policies and objectives relative to the provision of housing, and to adopt an action plan toward this end. In addition, the Element identifies and analyzes housing needs, and resources and constraints to meeting these needs.

The Banning Housing Element is based on four strategic goals: 1) creating housing opportunities for current and future residents, 2) neighborhood preservation and improvement of the housing stock, 3) environmental sensitivity and compatibility of new development, and 4) equal housing opportunity. One of the City's highest priorities is to improve the large number of older housing units in the City's that are substandard. Much of the City's available housing funding will be directed to programs that address this need. At the same time, Banning recognizes the need for additional housing affordable to low- and moderate-income households as the population grows and to accommodate existing residents who do not have suitable, affordable housing.

In accordance with State law, the Housing Element is to be consistent and compatible with other General Plan Elements. Additionally, Housing Elements are to provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. State law (Government Code Sections 65580 through 65589) mandates the contents of the housing element. By law, the Housing Element must contain:

1. An assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs;

2. A statement of the community's goals, quantified objectives, and policies relevant to the maintenance, improvement and development of housing; and

3. A program that sets forth a five-year schedule of actions that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

The housing program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low- and moderate-income households; address governmental constraints to housing maintenance, improvement, and development; conserve and improve the condition of the existing affordable housing stock; and promote housing opportunities for all persons.

EVALUATION OF PRIOR HOUSING ELEMENT

The City of Banning has had many difficulties in implementing its housing program goals throughout the last ten years. These difficulties can be greatly attributed to staffing shortages. The community development department was lacking the staff needed to realize the housing program goals and the Redevelopment Agency did not have a specific person assigned until January 2000. The City has been catching up in the last year and has made strong head way in starting to implement several programs as noted below. The Redevelopment Agency has implemented several programs and is diligently working within the community. Unfortunately, the Redevelopment Agency relied heavily on the Banning Partners for a Revitalized Community (BPRC) to implement many of the programs listed in the Housing Element. Since the BPRC has been inactive for the last year, many programs have been discontinued. The Agency is looking to other non-profit organizations to implement the programs.

The Existing Programs from the 1989 Housing Element are listed below followed by the Program Goal and an Evaluation of the Program over the last ten years.

1.Neighborhood Reinvestment Corporation/Banning Partners for a Revitalized Community: The Neighborhood Reinvestment Corporation (NRC) is a nonprofit corporation authorized by congress to encourage neighborhood revitalization for the benefit of current residents. The NRC assists residents of neighborhoods in which the housing stock is deteriorating, and where there is a substantial degree of homeownership, to form Neighborhood Housing Services Programs (NHS). Each NHS is a locally initiated and funded private non-profit corporation governed by a working partnership of residents, business leaders, and government representatives. The NRC provides a $30,000 grant to each NHS developing and maintaining the NHS. A small NHS staff operates from an office located in the neighborhood and provides a variety of housing services including rehabilitation counseling; construction monitoring; financial counseling; community involvement.

Program Goals: The goals of the BPRC in relation to housing will be two fold: to facilitate the rehabilitation of substandard structures, and to provide financial and technical assistance in the development of affordable housing. Based on the magnitude of deteriorated housing in the central/eastern portion of the City, the BPRC has indicated that housing rehabilitation is a high priority (new construction goals are discussed under program 14-NON Profit Construction). Low interest deferred loans will be offered to low and moderate income households, with a maximum loan amount of $30,000. The specific terms of the loans will be based on the property owner's ability to pay. Low income overcrowded households, and households with a handicapped resident(s) will be specifically targeted for rehabilitation assistance. In addition, the BPRC helps tenants with their first month's rent. While the organization had not yet adopted a

specific work program, for purposes of the Housing Element, the goal will be to rehabilitate 10 dwelling units on an annual basis, beginning in 1991. To the extent additional monies become available, a greater number of units will be able to be rehabilitated.

Program Evaluation: In 1995, a Roof Loan Program was established. It was primarily funded by BPRC and partially supplemented with a $500 grant from the Redevelopment Agency. Eligible participants had to live within the City limits and have low or moderate incomes. In 1996 the Redevelopment Agency did not have available funds for the program and it was discontinued. There is not a need to reestablish this program because it is included in the newly created Exterior Rehabilitation Assistance Program. This program is more encompassing and is explained more completely in Program Evaluation number two.

2.Home Improvement Program: The Riverside County Community Development Department administers a Home Improvement Program to provide loans to eligible lower income families for necessary home repair and rehabilitation work, including room additions to alleviate overcrowding. The Program provides low interest loans, deferred payment loans, and loans for mobile-home repair. Cooperating cities transfer Community Development Block Grant (CDBG) funds, and any other targeted funding, to the County for implementation of home Improvement Programs in their jurisdiction. The County will tailor rehabilitation programs to meet the specific needs of cooperating cities.

Program Goals: The City of Banning receives approximately $400,000 in CDBG funding on an annual basis. Based on the extent of housing deterioration present in Banning, the Housing Element recommends the City enter into a cooperative agreement with the County for implementation of the Home Improvement Program by the end of 1991. Banning should then commit to directing a portion of its CDBG monies toward the Home Improvement Program, with an annual assistance goal of 10 households.

Program Evaluation: The Redevelopment Agency established a Housing Exterior Rehabilitation Assistance Program (ERA) to assist low and moderate-income households in upgrading the exterior of their homes. Eligible applicants have household incomes 80% or less of the Riverside County median. The Program provides up to $7,5000 per property for improvements, such as new roofs, paint and yard clean up. Under this grant, the homeowner will be required to reside in the home for seven years. Should the homeowner not occupy the property for a contiguous thirty-day period in one calendar year, the funds originally granted shall be returned to the Redevelopment Agency. During the last year, one house has been completed, twelve are in process, and twelve more are on the waiting list. The Agency will continue the ERA Program through its Five-Year Implementation Plan for the Downtown and Midway Redevelopment Project Areas.

3.Senior Home Repair Program: In addition to the Home Improvement Program, the County of Riverside also administers a senior home repair program. This program provides grants of up to $250 to low-income senior citizens for minor home maintenance needs. The grant covers the cost of materials; labor is provided free of charge.

Program Goals: The City of Banning will continue to cooperate with the County of Riverside for programs implementation, and contribute financially to the program. Based on the significant number of senior citizen households.

Program Evaluation: The Senior Grant Program was established in 1992. It provided up to $500 to low/moderate income seniors for repair of identified health and safety concerns in their residence. In 1995 the program committed and expended $63,107. Those funds assisted 212 very-low income and 16 low-income seniors. In 1996 the Program was discontinued due to lack of available funds. Senior home repair needs can be accommodated under the ERA program, but the overall funding level may exceed the demand.

4.Rental Rehabilitation Program: In addition to the CDBG funded rehabilitation programs, the County also operates a separately funded Rental Rehabilitation Program to encourage rehabilitation of substandard apartment buildings or single-family homes used as rental. Through the Rental Rehab Program, the County offers up to 50% deferred loan to pay towards the total cost of a rehabilitation project, with the balance financed through a 6% interest rate loan. To qualify for a Rental Rehab subsidy, more than 70% of the building's tenants must be low or moderate income.

Program Goals: This program can provide needed rehabilitation assistance to rental properties in Banning's older neighborhoods. In order to expand its usage, the City should contribute CDBG and/or redevelopment set aside funds as needed to assist property owners in obtaining funding for 50 percent matching fund requirement. The goal of this program is to achieve rehabilitation of five units annually.

Program Evaluation: The Rental Rehab Program has been discontinued.

5.Code Enforcement: The objective of the City's code enforcement program is to bring substandard housing units into compliance with City codes. Potential code violations are identified based on complaints reported to the City, and often through property maintenance inspections. If the structure appears unsound, a City building official will schedule a meeting to inspect the residence and prepare a written notice as to any existing deficiencies. The property owner is given a reasonable time frame in which to respond, and is given extra time if progress is demonstrated.

Program Goals: The City will continue its sensitive enforcement of residential Building codes, and will expand the program to inform property owners in violation of City codes of any rehabilitation assistance he/she may be eligible for in correcting code violations.

Program Evaluation: While the City notifies residents of non-compliance with the Building codes, they have not expanded the program to include information of possible rehabilitation assistance. The City has been understaffed and unable to train available staff to know the County assistance programs. If residents specifically ask about assistance, they are referred directly to the County.

6.Purchase of Abandoned Homes: In order to upgrade and revitalize blighted neighborhoods and deteriorated residential units, the City of Banning Redevelopment Agency will purchase abandoned homes and provide necessary rehabilitation.

Program Goals: Assist in the rehabilitation of 3-5 units per year.

Program Evaluation: In 1995, the Redevelopment Agency worked with Banning Partners for a Revitalized Community (BPRC) and Apollo Construction in developing a HOME Grant Application. The application proposed to purchase, rehabilitate and then sell abandoned and/or troubled single family properties to first time homebuyers. The concept of the Program was to purchase homes using HOME Program funds and then rehabilitate them using a portion of Agency dollars. The Program application was approved and was active for a two-year period. In 1995, the Program committed $61,866 and expended $10,110. During that year, they purchased two homes, rehabilitated one home and sold it to a family with children, and was in the process of completing another. Unfortunately, however, the Program was not as busy in 1997 because of a restructuring of BPRC and change in the partnership involving Apollo Construction. No new units were rehabilitated in that year. Because of the currently dormant BPRC, this program has been discontinued.

Although this particular program is no longer available, the Redevelopment Agency purchased four homes in 2000 through a HUD program. This is a key program that has great potential for saving and rehabilitating existing housing stock for affordable housing needs. The Agency is attempting to partner with either the local chapter of National Habitat for Humanity or another non-profit organization to work together in restoring these homes.

7.Land Use Element/Zoning Ordinance: Planning and Regulatory actions to achieve adequate housing sites offering a range of housing types and styles include the Land Use Element of the General Plan and the Zoning Ordinance. A variety of residential types is provided for in Banning ranging from one to 24 dwelling units per acre, with higher densities achievable through density bonus provisions. The residential development capacity under the Banning Land Use Plan is adequate to meet the City's share of regional housing needs, which have been identified as 3,518 dwelling units though July 1994.

Program Evaluation: There are ample opportunities for development of various types of residential housing within the City on vacant and unimproved sites.

8.Site Suitability Criteria: Low and moderate-income housing development should be located on sites, which are not only physically adequate but also suitable for such development. These aims can be facilitated by having a set of "site suitability criteria" by which to judge the merits of potential project sites. These criteria will provide a yardstick for the City to identify and evaluate potential sites for low and moderate cost housing. Criteria for affordable housing could be implemented through the City's Zoning Ordinance.

In establishing its own criteria, the City should consider those already set forth by other jurisdictions, including the State and Federal governments. Criteria for grading the suitability of sites may include the following:

- Services available to the Site (e.g., public transportation essential shopping facilities, education facilities, etc.)
- Neighborhood Characteristics (e.g., adjacent land uses, proximity to employment opportunities, environmental consideration, noise levels, etc.).
- Physical Aspects of the Site (e.g., topography, off-site improvements, etc.).

The City will develop its own criteria for incorporation into the Zoning Ordinance. The City's intent in adopting and implementing the criteria is not to be more restrictive than other levels of government.

Program Evaluation: While the City did not incorporate specific criteria into the Zoning Ordinance regarding site suitability of affordable housing projects, there are general procedures available within the Design Review Article. These general procedures seem to have been sufficient in aiding the City to evaluate appropriate sites.

9.Sites for Homeless Shelters/Transitional Housing: The City of Banning has an estimated homeless population of up to ten persons at any given time. Based on Banning's location astride a major interstate highway, combined with the railway, which runs through the City, Banning receives a number of individuals and families who become stranded as a result of transportation difficulties. While the City contributes to a local coalition of churches (HELP) to assist in providing services to area homeless persons, including motel vouchers, there remains an unmet need for emergency shelter in the community.

Housing Element policy calls for the City to continue to coordinate with local social service providers, such as local churches, to address the needs of the homeless. In addition, the City will amend its Zoning Ordinance to permit the development of transitional housing in multi-family residential zones in locations close to services, and to permit emergency shelters in commercial

and industrial zones, subject to Conditional Use Permit. These Zoning Ordinances revisions will be made by the close of 1991.

Program Evaluation: Although the City did not amend its Zoning Ordinance to permit homeless shelters or transitional housing in multi-family residential zones, the City has continued with its motel vouchers program. There is insufficient data available to appropriately evaluate the success of this program. However, it is known that eight individuals and three families used motel vouchers between 1994-1995, three individuals used them between 1995-1996, and seven used them between 1996-1997.

10.Section 8 Rental Assistance Payment/Housing Vouchers: The Section 8 rental assistance program extends rental subsides to low-income families and elderly which spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. The vouchers program is similar to Section 8 Program, although participants receive housing. Unlike in the certificate program, participants are permitted to rent units beyond the federally determined fair market rent in an area, provided the tenant pays the extra rent increment. Rental assistance not only addresses housing affordability, but also overcrowding by allowing families, which may be "coupling up" to afford their own housing.

Program Goals: It is impossible to know how many additional housing vouchers the City will actually receive from HUD. However, based on previous allocation levels, the City's goal will be to secure an additional five rental subsidies annually. The City can facilitate use of Section 8 program in jurisdiction by encouraging apartment owners to list available rental units with the County Housing Authority for potential occupancy by tenants receiving Section 8 certificates.

Program Evaluation: The Redevelopment Agency has continually worked with the Riverside County Housing Authority in administering Section 8 assistance. The City has no control over the administration of this program and can only use it as a resource in which to refer residents. It is unknown how many families the County has supported, however, Westview Terrace, a 75-unit multi-family complex, currently participates in HUD's Section 8 program. Currently, the Housing Authority reports 286 families waiting for Section 8 vouchers.

11.Density Bonus: Pursuant to State density bonus law, if a developer allocates at least 20% of the units in a housing project to lower income households, 10% for very low income households, or at least 50% for "qualifying residents" (e.g. senior citizens), the City must either a) grant a density bonus of 25%, along with one additional regulatory concession to ensure that the housing development will be produced at a reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. Regulatory concessions may include such items as reduction in fees, modified development standards, e.g. parking or allowances for

mixed use on a residential property. The developer shall agree to, and the City shall ensure, the continued affordability of all lower income density bonus units for a minimum 30-year period.

Program Goals: The goal of this program is to adopt and implement the "Density Bonuses and Other Incentives for Lower Income and Senior Housing" ordinance by the end of 1991.

Program Evaluation: Although the ordinance was adopted in November 1991, no developer has taken advantage of this program. Due to the real estate market in the last 10 years, there is not a demand for dense development. The current low land prices allow ample opportunities for housing development. The preferred housing type is a large-lot single family unit, not dense multi-family homes. In addition to the current market, developers are reluctant to use the program because they are unwilling to ensure the continued affordability of the bonus units.

12.Mortgage Revenue Bond Financing: The County of Riverside has established two revenue bond housing programs to increase the supply of affordable housing in the County- the Multi-Family Revenue Bond Program and the Single Family Residential Mortgage Revenue Bond Program. Under these programs, tax-exempt bonds are issued to provide funds for construction and mortgage loans to encourage developers to provide both rental and for-sale housing which is affordable to lower income families and individuals.

The Multi-Family Bond Program is designed to make financing available to Developers for the construction of multi-family residential rental units in the County. In order to receive financing through the bond program, developers must reserve for 10 years, 20 percent of the units for rental by families income in Riverside County. In addition, for recent projects, half of the lower income units must be reserved for occupancy on a priority basis for tenants who generally earn 50 percent or less of the median income. Projects financed after the passage of the 1986 Tax Reform Act must commit their 20% designated units for a period of 15 years.

The Single Family Residential Mortgage Revenue Bond Program is designed to provide mortgage loans to first-time homebuyers whose incomes do not exceed maximum Federal limits. Buyers must also intend to live in the homes as their principal residence. Mortgage loans offered under the bond program generally have lower interest rates than conventional loans. Loans are made available for attached and detached single-family residences primarily in eligible developments at various locations throughout the County.

Programs Goals: Bonds provide a cost-effective mechanism the City can utilize to promote affordable ownership and/or rental opportunities. The City's participation in bond financing can be limited to sponsoring programs and funding administrative costs. A future goal of one bond-funded housing projects has been established for the five-year period of this Housing Element.

Program Evaluation: The Redevelopment Agency authorized Mortgage Revenue Bonds to provide low-interest mortgages for home buyers in the Highland Springs in 1997. The mortgage

program was terminated shortly thereafter because of the inactivity of the Highland Springs Redevelopment Area.

13.Mortgage Credit Certificate Program: The County of Riverside has initiated a mortgage credit certificate program for first time homebuyers. Through the program, qualifying households receive a 20% credit on their annual home mortgage interest payments over the life of the mortgage.

Program Goals: The City of Banning should maintain its cooperative agreement with the County for the mortgage credit certificate program and should assist the County in advertising the program through distribution of program brochures to local realtors and residential sales offices.

Program Evaluation: The City has maintained its cooperative agreement with the County and has advertised the program by distributing pamphlets in appropriate sites throughout the city. The County has not issued any certificates within the last two years, but continues to initiate yearly public meetings within the City to inform residents of available programs.

14. Shared Housing: Many seniors who would prefer to live independently resort to institutionalized living arrangements because of security problems, loneliness, or an inability to live entirely independently. The shared housing programs operated by the County assists low income individuals 18 years of age and older in locating roommates to share existing housing in the community; the majority of the program's applicants are senior citizens. Services offered include information and referral, outreach, client counseling, placement and follow-up. Monthly rental rates are generally between $250 - $275, providing and affordable housing alternative for many single-person households.

Program Goals: The City of Banning should assist the County in advertising the shared housing program through placement of program brochures in key locales throughout the community. The quantified objective of this program is to achieve 10 roommate matches on an annual basis in Banning.

Program Evaluation: The Redevelopment Agency does not have any brochures regarding the County's services.

15.Nonprofit Construction: A non-profit housing corporation works to develop, conserve and promote affordable housing, either owner or renter-occupied. Particularly in relation to senior citizens housing (such as HUD Section 202 projects), the non-profit is often a local religious organization interested in developing affordable housing. The non-profit is often involved with what is called "assisted housing", where some type of government assistance (such as Section 8) is provided to the individual household to keep rents affordable.

Program Goals: The BPRC will help meet the City's goals for additional affordable housing by implementing or assisting with the implementation of new construction projects. The City will facilitate the creation of affordable housing in two regards: a) through continued financial support of the BPRC; and b) through development standards, and density increases. Given this City assistance, the BPRC has established an annual new construction goal of six units affordable to low income households, and ten units affordable to moderate income households.

Program Evaluation: The BPRC is not currently active and this program has not been utilized. No other non-profit or for-profit developers have expressed interest in constructing affordable housing units. In place of constructing new housing, the Redevelopment Agency has looked to other means to create affordable housing units. HUD repossessed four dilapidated homes in 2000 that had not sold on the market and sold them to the City. The homes need major improvements and the City is looking to partner with a non-profit organization to make the necessary repairs. Once rehabilitated, the homes will be available to low-income families.

16.Assisted Affordable Housing Development: The City's Redevelopment Agency will work with non-profit and for profit developers to assist in the construction of low and moderate income housing.

Program Goals: To assist in the construction of 10-20 low to moderate income housing units per year.

Program Evaluation: The Homebuyers Assistance Program was eliminated in 1995 because of reductions in funds in the agency tax increment allocations and the priority of other Programs. Although the Program was eliminated, a Five-Year Implementation Plan (1999-2004) for the Downtown and Midway Redevelopment Project Areas has been adopted. A portion of the Plan calls for a cooperative effort between the Redevelopment Agency and a local chapter of Habitat for Humanity. The Redevelopment Agency will explore opportunities to construct affordable housing with the non-profit housing developer.

17.Zoning Ordinance: The City of Banning had developed a comprehensive Zoning Ordinance to implement its General Plan. The following regulations in the City's Municipal Code facilitate the conservation and development of affordable housing:

- Provisions for specific plans which provide for flexibility in density and mix of land uses
- Provisions for manufactured housing and mobile home development in single-family zones
- Provisions for second units on single-family lots
- Provisions for reduced parking requirements for senior citizens housing projects
- Provisions for residential uses in the downtown commercial district.

Program Goals: While many development regulations have a positive effect on affordable housing, some regulations do add to the cost of development. The goal of this program is to amend the Banning Municipal Code as necessary to consolidate and simplify, and ensure City standards are not excessive.

Program Evaluation: Provisions for Specific Plans were added to the Zoning Ordinance in 1992. The Sun Lakes/Presley Specific Plan was submitted before 1992, however; it was amended to reflect market conditions and the need to modify standards as stated in the provisions of the Zoning Ordinance. The Deutsch Specific Plan was adopted in October 1993 but submitted before 1992 and is consistent with the amended provisions of the Zoning Ordinance.

Provisions for manufactured housing and mobile home development in single-family zones have been in place since 1983.

Secondary Units were included in the Zoning Ordinance in 1993. They are allowed, pursuant to a conditional use permit, in the R-1, R-1-70, R-2, and R-3 zones. These units are zoned for use only by the family members of the property owners, and are not available for rent by the general public. It is important to note that although these units are not intended to address the affordable rental housing needs, they actually have a potential to do so. Family members may utilize the additional unit for a living space when they otherwise would have been forced to look for housing elsewhere, increasing the demand for affordable housing. Although secondary units have been conditionally permitted since 1993, there have been no requests to build them.

In 1998, the Zoning Ordinance was amended to include subsidized senior housing parking provisions. The parking provisions apply to any rental housing development constructed with assistance from federal or state housing subsidy programs for lower income senior citizens. The parking requirements were reduced from 2 to 1.25 covered parking spaces per unit, provided that the remaining .75 space is landscaped or developed as a recreational area.

The Downtown Commercial Zone District was amended in 1996 to include provisions for two specific types of residential uses within this area, pursuant to a conditional use permit. The two types of uses are single family structures (when attached to a commercial building and used for the living quarters of the owner, manager, or operator of the adjoining commercial use) and multiple family dwelling complexes.

18.Efficient Processing: The evaluation and review process required by the City procedures contributes to the cost of housing costs incurred by developers are ultimately reflected in the unit's selling price. In order to minimize project holding costs, jurisdictions should streamline their review procedures to the greatest extent possible and without compromising adequate review.

Program Goals: In light of the magnitude of development applications received by the City, project review times cannot realistically be further reduced. The Housing Element does however recommend the City establish priority review processing for affordable housing projects.
Program Evaluation: The City has not adopted specific procedures giving priority review processing for affordable housing projects. However, the City is considering specific actions in the updated Housing Element for priority permit processing.

19.Development Fees: Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities. While almost all these fees are assessed on a pro rata share system, they often contribute to the cost oh housing and constrain the development of lower priced units. Certain fees could be waived or subsidized by the City for the provision of lower income and senior citizens housing.
Program Goals: The goal of this program is to review City fees to see if waiver or subsidy by the City may be beneficial for the provision of affordable and senior citizens housing. Based on the outcome of this review, the City may adopt an ordinance establishing a modified fee schedule for affordable and senior citizen projects.

Program Evaluation: The City has reviewed its fees and although they have not adopted an ordinance modifying the fee schedule for affordable and senior citizen projects, opportunities to lessen fees are available through the Redevelopment Agency. The City's fees are considerably lower than other comparable cities within the County.
One option available to the City is to potentially utilize Redevelopment Agency set-aside fees to help pay for development fees

20.Equal Housing Opportunity Services: The County of Riverside established the New Horizons' Fair Housing Program which provides a broad range of services such as: education on fair housing laws, referrals to public agencies on discrimination matters, coordination of training work shops, and publishing a newsletter on fair housing activities. The activities also include news releases to the media, and distribution of information to the housing industry, apartment managers, and rental agencies. The Fair Housing Division provides assistance to the housing industry in voluntary affirmative marketing programs, shows, and conventions. The establishment of a Fair Housing Program with goals, and objectives and the participation of other responsible agencies of the County, attains implementation of various strategies, to increase availability of housing to low and moderate income families and individuals through advocacy and non-discriminatory policies.

Program Goals: The County's Fair Housing Program will expand its present structure to incorporate the Community Housing Resource Board (CHRB) program component. The CHRB is designed to work with the real estate and building industry to implement and monitor the activities of the National Voluntary Affirmative Marketing Agreement (VAMA), in the areas of rental, sales, advertising, training and recruitment. The qualification of program achievement can

only be measured through the settlement of disputes and the prevention of resident dislocation, loss of occupied units, and stabilized vacancy factors as a result of the efforts of the Fair Housing Program.

Program Evaluation: The Redevelopment Agency incorporates equal opportunities for housing into their services within the city. If there are any complaints or legal owner-tenant questions, residents are referred to The Fair Housing Council of Riverside County. They are a non-profit organization who provides comprehensive services addressing and promoting fair housing.

GOALS, POLICIES AND PROGRAMS

This section of the Housing Element contains the City's overall goals for housing, policies to implement those goals, specific programs, and a five-year schedule of quantified objectives. The policies and programs adopted by the City relate to four strategic goals:

- Provide housing opportunities for all segments of the community to meet current and future needs.
- Maintain and improve the quality of the existing housing stock and preserve existing residential neighborhoods.
- Ensure that new housing is compatible with existing development and the natural environment.
- Promote equal housing opportunity for all Banning residents.

GOAL 1: HOUSING OPPORTUNITIES

Provide a wide range of housing types to meet the existing and future needs of planning area residents.

The City wants to encourage the construction of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet existing and future needs. The provision of a balanced inventory of housing in terms of unit type (e.g. single-family, multi-family, etc.), cost, and style will allow the city to fulfill a variety of housing needs.

Policies

Policy 1.1: Provide a variety of residential development opportunities in Banning, ranging from very low density to high density development as described in the Community Development Element and Plan Map in accordance with the Regional Housing Needs Assessment~

Policy 1.2: Encourage both the private and public sectors to produce or assist in the production of high quality housing to meet the needs of the handicapped, the elderly, large families, female-headed households and homeless.

Policy 1.3: Promote the development of low- and moderate-income, and senior citizen housing by allowing developers density bonuses or other financial incentives for providing units for low- and moderate-income residents. Provide rental assistance vouchers, as available, for some or all of the affordable units provided.

Policy 1.4: Require that housing constructed expressly for low- and moderate-income households not be concentrated in any single portion of the City.

Policy 1.5: Continue to coordinate with local social service providers, such as HELP, to address the needs of the City's homeless population. Permit the development of emergency shelters in commercial and industrial zones, and transitional housing in residential zones in locations close to services, subject to a Conditional Use Permit.

Policy 1.6: Encourage the development of residential units which are accessible to handicapped persons or are adaptable for conversion to residential use by handicapped persons.

Policy 1.7: Locate higher density residential development in close proximity to public transportation, services and recreation.

Policy 1.8: Permit the development of child care facilities concurrent with new housing development.

Policy 1.9: Monitor all regulations, ordinances, departmental processing procedures and fees related to the rehabilitation and/or construction of dwelling units to assess their impact on housing costs.

Policy 1.10: Encourage the use of energy conservation devices and passive design concepts which make use of the natural climate to increase energy efficiency and reduce housing costs.

Policy 1.11: Provide opportunities for move-up housing in Banning.

Program 1.1: Land Use Element/Zoning Ordinance:

The City, through planning and regulatory actions will designate adequate housing sites to meet its RHNA allocation for each income level. A variety of residential types will be provided, ranging from one to 24 dwelling units per acre, with higher densities achievable through density bonus provisions. The residential development capacity under the Banning Land Use Plan is adequate to meet the City's share of regional housing needs, which have been identified as 1,780 dwelling units though June 2005.

The program objective relates only to sites for accommodate housing. The objective does not insure that the RHNA allocation will be constructed, as the City does directly build housing units.

Responsible Agency: Banning Planning Department
Timeframe: January 1, 1998 – June 30, 2005

Funding:	General Funds, development permit fees.
Objective:	1,780 dwelling units through June 30, 2005, distributed as follows: 481 very low-income, 289 low-income, 405 moderate-income, and 605 above moderate-income

Program 1.2: Density Bonus:

Pursuant to State density bonus law, if a developer allocates at least 20% of the units in a housing project to lower income households, 10% for very low-income households, or at least 50% for "qualifying residents" (e.g. senior citizens), the City must either a) grant a density bonus of 25%, along with one additional regulatory concession to ensure that the housing development will be produced at a reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. Regulatory concessions may include such items as reduction in fees, modified development standards, e.g. parking or allowances for mixed use on a residential property. The developer shall agree to, and the City shall ensure, the continued affordability of all lower income density bonus units for a minimum 30-year period.

Responsible Agency:	Planning Department, Redevelopment Agency
Timeframe:	Adopted in 1991; current and ongoing
Funding:	General Fund, development fees, Low/Moderate-Income Housing Set-Aside Fund
Objective:	Continue implementing "Density Bonuses and Other Incentives for Lower Income and Senior Housing", and to annually evaluate the program to ensure the Density Bonuses and Other Incentives are effective in encouraging developers to include projects containing housing affordable to low- or moderate-income households..

Program 1.3: Mortgage Revenue Bond Financing:

The County of Riverside has established two revenue bond housing programs to increase the supply of affordable housing in the County- the Multi-Family Revenue Bond Program and the Single Family Residential Mortgage Revenue Bond Program. Under these programs, tax-exempt bonds are issued to provide funds for construction and mortgage loans to encourage developers to provide both rental and for-sale housing which is affordable to lower income families and individuals.

The Multi-Family Bond Program is designed to make financing available to Developers for the construction of multi-family residential rental units in the County. In order to receive financing through the bond program, developers must reserve for 10 years, 20 percent of the units for rental by families income in Riverside County. In addition, for recent projects, half of the lower income units must be reserved for occupancy on a priority basis for tenants who generally earn 50 percent or less of the median income. Projects financed after the passage of the 1986 Tax Reform Act must commit their 20% designated units for a period of 15 years.

The Single Family Residential Mortgage Revenue Bond Program is designed to provide mortgage loans to first-time homebuyers whose incomes do not exceed maximum Federal limits. Buyers must also intend to live in the homes as their principal residence. Mortgage loans offered under the bond program generally have lower interest rates than conventional loans.

Loans are made available for attached and detached single-family residences primarily in eligible developments at various locations throughout the County.

Bonds provide a cost-effective mechanism the City can utilize to promote affordable ownership and/or rental opportunities. The City's participation in bond financing is limited to:

1. identifying interested developers of ownership housing (either single family or multifamily) who can inform purchasers of their homes of this funding source;

2. identifying interested multifamily developers of the financing opportunity for a rental housing development; and

3. contributing to the administrative costs of obtaining bonding authority and issuing bonds.

Responsible Agency: Redevelopment Agency
Timeframe: One project each in 2003 and 2004.
Funding: Mortgage Revenue Bonds
Objective: Participate in one bond-funded housing project for ownership housing and one for rental housing during the five-year period of this Housing Element. To achieve these objectives, Agency staff will do the following during 2001:

4. meet with representatives of Riverside County to determine interest in, and feasibility of issuing bonds;

5. reach an agreement on the City/Agency's financial participation if a bond issuance is determined to be feasible;

6. promote the availability of the bond financing within the local development community to generate interest in using this resource to develop affordable housing units meeting bond program requirements; and

7. Refer interested developers to Riverside County for participation in the program.

Program 1.4: Mortgage Credit Certificate Program:

The County of Riverside has initiated a mortgage credit certificate program for first time homebuyers. Through the program, qualifying households receive a 20% credit on their annual home mortgage interest payments over the life of the mortgage.

Responsible Agency: Redevelopment Agency

Timeframe: Current and ongoing
Funding: Mortgage Credit Certificate Program
Objective: The City of Banning will maintain its cooperative agreement with the County for the mortgage credit certificate program and should assist the County in advertising the program through distribution of program brochures to local realtors and residential sales offices.

Program 1.5: Efficient Processing:

The evaluation and review process required by the City procedures contributes to the cost of housing costs incurred by developers are ultimately reflected in the unit's selling price. In order to minimize project holding costs, The City's should streamline its review procedures to the greatest extent possible and without compromising adequate review.

The City will provide a one-stop process for a developer with an affordable housing project. An interagency approval process system will be established to include the City Planning, Building, Public Works and Fire Departments. A designated individual within the Planning Department will act as the project manager, or liaison, for the participating City departments and the applicant. A timeframe with milestones for development approval will be established for each project to ensure processing in a timely manner. The City will also prepare a permit handbook that explains the permits process and application requirements.

Responsible Agency: Planning Department
Timeframe: Establish interdepartmental coordination, revised permit application forms, and permit handbook by December 2001
Funding: Permit fees
Objective: Improve permit processing efficiency and reduce permit processing time.

Program 1.6: Development Fees:

Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities. While almost all these fees are assessed on a pro rata share system, they often contribute to the cost of housing and constrain the development of lower priced units. Program 1.5, "Efficient Processing" will address fee schedules for affordable housing and senior citizen projects. Program 1.6 " Development Fees" will address development and processing fees."

The City intends to keep fees low to provide for infrastructure development. The City will do so by annually reviewing its fees to make sure they are affordable compared to other communities.

Responsible Agency: Planning Department
Timeframe: Current and ongoing
Funding: Development fees

Objective: Maintain development fees at a level commensurate with the services and facilities needed to meet community standards

Program 1.7: Zoning Ordinance:

The City of Banning had developed a comprehensive Zoning Ordinance to implement its General Plan. The following regulations in the City's Municipal Code facilitate the conservation and development of affordable housing:

Provisions for specific plans, which provide for flexibility in density and mix of land uses was added to the Zoning Ordinance in 1992.

Provisions for manufactured housing and mobile home development in single-family zones have been in place since 1983.

Provisions for second units on single-family lots were included in the Zoning Ordinance in 1993 but only allowed by a conditional use permit, in the R-1, R-1-70, R-2, and R-3 zones. These units are only for family members of the property owner and are not available for rent.

The City will continue implementing these Zoning Ordinance provisions, with the following changes:

- Amend the Zoning Ordinance to eliminate occupancy restrictions relating to family status as long as the secondary unit meets minimum development standards set forth in the Zoning Ordinance.

- Amend the Zoning Ordinance to allow for reduced parking for any affordable housing development which can demonstrate that (a) the modified standards will meet the objectives of the City's parking requirements; (b) are necessary for the financial feasibility of the project; and (c) will not result in the use of on-street parking by residents. If such findings are made, parking standards for affordable housing will be modified, based on the number of bedrooms, to reflect actual parking demand in the proposed project location. The City will permit, as appropriate on a case-by-case basis, parking alternatives that meet development guidelines for screening of parking from public view.

- Amend the Zoning Ordinance to allow mixed-use residential/commercial structures without limiting housing to one unit occupied by an owner or operator of the business to which the housing unit is attached. The amendment should also include parking standards to ensure that the presence of housing in a mixed-use structure does not result in on-street parking during regular business hours by residents of the housing portion of the structure.

Responsible Agency: Planning Department

Timeframe:	Staff to prepare Zoning Ordinance amendments by August 2001; to adopt by December 2001.
Funding:	General Fund
Objective:	Improve permit processing efficiency and reduce permit processing time.

Program 1.8: Section 8 Rental Assistance Payment/Housing Vouchers:

The Section 8 rental assistance program extends rental subsides to low-income families and elderly which spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. The vouchers program is similar to Section 8 Program, although participants receive housing. Unlike in the certificate program, participants are permitted to rent units beyond the federally determined fair market rent in an area, provided the tenant pays the extra rent increment. Rental assistance not only addresses housing affordability, but also overcrowding by allowing families, which may be "coupling up" to afford their own housing.

It is impossible to predict the number of additional housing vouchers or certificates that will become available to residents of Banning, as the Section 8 Programs is administered by the Riverside County Housing Authority and federal funding levels are determined on an annual basis. The City can facilitate use of Section 8 program by encouraging apartment owners to list available rental units with the County Housing Authority for potential occupancy by tenants receiving Section 8 certificates.

Responsible Agency:	Redevelopment Agency
Timeframe:	Current and ongoing
Funding:	Federal Section 8 Programs
Objective:	N/A

Program 1.9: Sites for Homeless Shelters/Transitional Housing:

The City of Banning has an estimated homeless population of up to ten persons at any given time. Based on Banning's location astride a major interstate highway, combined with the railway, which runs through the City, Banning receives a number of individuals and families who become stranded as a result of transportation difficulties. While the City contributes to a local coalition of churches (HELP) to assist in providing services to area homeless persons, including motel vouchers, there remains an unmet need for emergency shelter in the community.

Housing Element policy calls for the City to continue to coordinate with local social service providers, such as local churches, to address the needs of the homeless. In addition, the City will amend its Zoning Ordinance to permit the development of transitional housing in multi-family residential zones in locations close to services, and to permit emergency shelters in commercial and industrial zones, subject to Conditional Use Permit.
Responsible Agency: Planning Department

Timeframe:	City staff to prepare Zoning Ordinance amendments by August 2001; City Council to adopt by December 2001
Funding:	General Fund
Objective:	Designation of specific zones in which emergency and transitional facilities will be permitted

Program 1.10: Shared Housing:

Many seniors who would prefer to live independently must resort to institutionalized living arrangements because of security problems, loneliness, or an inability to live entirely independently. The shared housing programs operated by the County assists low-income individuals 18 years of age and older in locating roommates to share existing housing in the community; the majority of the program's applicants are senior citizens. Services offered include information and referral, outreach, client counseling, placement and follow-up. Shared housing provides an affordable housing alternative for many single-person households.

The City of Banning should assist the County in advertising the shared housing program through placement of program brochures in key locales throughout the community.

Responsible Agency:	Redevelopment Agency
Timeframe:	Current and ongoing
Funding:	Low/Moderate-Income Housing Set-Aside Fund
Objective:	10 roommate matches per year.

Programs 1.11: Affordable Housing Development with a Nonprofit Partner:

A non-profit housing corporation works to develop, conserve and promote affordable housing, either owner or renter-occupied. Particularly in relation to senior citizens housing (such as HUD Section 202 projects), the non-profit is often a local religious organization interested in developing affordable housing. The non-profit is often involved with what is called "assisted housing", where some type of government assistance (such as Section 8) is provided to the individual household to keep rents affordable. Prior nonprofit agency activities were administered in conjunction with the Banning Partners for a Revitalized Community, which is no longer active. One Program, the Homebuyers Assistance Program, was eliminated in 1995 because of reductions in tax increment funds to the Agency and the priority of other programs that emphasized housing rehabilitation and neighborhood preservation.

The Redevelopment Agency will solicit participation by one or more new nonprofit housing organizations interested in developing affordable housing in Banning. A Draft Five-Year Implementation Plan (1999-2004) for the Downtown and Midway Redevelopment Project Areas has been adopted. A portion of the Plan calls for a cooperative effort between the Redevelopment Agency and a local chapter of the Habitat for Humanity. The Redevelopment

Agency will explore opportunities to construct affordable housing with non-profit housing developer.

Responsible Agency:	Redevelopment Agency
Timeframe:	Identify and meet with nonprofit organization representatives by June 2001; establish partnering arrangement by December 2001.
Funding:	Depends on nonprofit program activities/projects, but could include federal Section 8 Program, Section 202 Program, Mortgage Bonds, Redevelopment Agency Low/Moderate-Income Housing Set-Aside funds, HOME Program funds
Objective:	Establish ongoing working relationship with at least one nonprofit organization to administer housing programs and/or affordable housing developments

GOAL 2: MAINTENANCE AND PRESERVATION

Enhance the quality of existing residential neighborhoods in Banning.

The goal of housing preservation is to protect the existing and investment in housing and to avoid a degree of physical decline that will require a larger rehabilitation effort to restore quality and value. The housing conditions survey identified a concentrated area of deferred housing maintenance in the City's central core and East Banning in particular. Housing rehabilitation efforts will continue to be focused in this area to facilitate unit upgrading.

Policies

Policy 2.1: Correct housing deficiencies through the development of a residential rehabilitation program.

Policy 2.2: Continue to utilize the City's code enforcement program to bring substandard units into compliance with City codes and to improve overall housing conditions in Banning.

Policy 2.3: Minimize the displacement impacts occurring as a result of residential demolition.

Policy 2.4: Promote increased awareness among property owners and residents of the importance of property maintenance to long-term housing quality.

Policy 2.5: Encourage the use of rehabilitation funds for room additions to alleviate overcrowding, and for accessibility improvements to address the needs of the handicapped.

Policy 2.6: Educate property owners on the benefits of home repair and remodeling using design and materials consistent with the historic character of the residence.

Program 2.1: Home Improvement Program:

The Riverside County Community Development Department administers a Home Improvement Program to provide loans to eligible lower income families for necessary home repair and rehabilitation work, including room additions to alleviate overcrowding. The Program provides low interest loans, deferred payment loans, and loans for mobile-home repair. Cooperating cities transfer Community Development Block Grant (CDBG) funds, and any other targeted funding, to the County for implementation of home Improvement Programs in their jurisdiction. The County tailors rehabilitation programs to meet the specific needs of cooperating cities. This program was formerly administered in conjunction with the Banning Partners for a Revitalized Community, which is no longer active.

A new program, along the same lines, has been established and administered by the Banning Redevelopment Agency and works in conjunction with the Riverside County program. The Housing Exterior Rehabilitation Assistance Program (ERA) assists low- and moderately low-income households in upgrading the exterior of their home. The Program provides funds up to $7,500 per property for the improvements such as new roofs, paint and yard clean up.

Responsible Agency:	Redevelopment Agency
Timeframe:	Current and ongoing
Funding:	Low/Moderate-Income Housing Set-Aside funds.
Objective:	Rehabilitate 15 dwelling units per year (75 over 5 years)

Program 2.2: Code Enforcement:

The objective of the City's code enforcement program is to bring substandard housing units into compliance with City codes. Potential code violations are identified based on complaints reported to the City, and often through property maintenance inspections. If the structure appears unsound, a City building official will schedule a meeting to inspect the residence and prepare a written notice as to any existing deficiencies. The property owner is given a reasonable time frame in which to respond, and is given extra time if progress is demonstrated. The City will continue its sensitive enforcement of residential Building codes, and will inform property owners in violation of City codes of any rehabilitation assistance he/she may be eligible for in correcting code violations.

To implement this Program, the City will fund a half-time position for a Neighborhood Code Enforcement Officer. This individual will identify problems throughout the City and work with property owners to resolve code and property maintenance issues. The Neighborhood Code Enforcement Officer will have training in the Uniform Building Code and other applicable model codes as well as knowledge of housing rehabilitation standards.

Responsible Agency: Redevelopment Agency

Timeframe:	Establish pilot program for a two-year period, beginning fiscal year 2001/2002. Report to the City Council July 1, 2003 on the usefulness of the program in reducing substandard properties
Funding:	Low/Moderate-Income Housing Set-Aside funds
Objective:	Depends on demand for the program and the number of complaints

Program 2.3: Purchase of Abandoned Homes:

To upgrade and revitalize blighted neighborhoods and deteriorated residential units, the City of Banning Redevelopment Agency will purchase abandoned homes and provide necessary rehabilitation. This program was formerly administered in conjunction with the Banning Partners for a Revitalized Community, which is no longer active. A new program, along the same lines, had been administered by the Banning Redevelopment Agency. The Redevelopment Agency and HUD have purchased four homes to restore and are currently looking for a non-profit agency to partner to start the project.

Agency:	Redevelopment Agency
Timeframe:	Current and ongoing
Funding:	Low/Moderate-Income Housing Set-Aside funds; CDBG funds
Objective:	Rehabilitate 5 units per year (25 units over 5 years)

GOAL 3: ENVIRONMENTAL SENSITIVITY

Ensure that new housing is sensitive to existing development as well as the natural environment.

It is an on-going concern in the City to ensure that residential growth is sensitive to environmental and social needs of the community. Development will be accommodated which is coordinated with available community resources and infrastructure, and which is designed to minimize impacts on the natural environment.

Policies

Policy 3.1: Ensure that multi-family development is compatible in design with single-family residential areas.

Policy 3.2: Regularly examine new residential construction methods and materials, and upgrade the City's residential building standards as appropriate.

Policy 3.3: Prohibit new residential development to front on major arterial highways without adequate setbacks and buffering.

Policy 3.4: Prohibit housing development in areas subject to significant geologic, flooding, blowsand, noise and fire hazards.

Policy 3.5: Accommodate new residential development which is coordinated with the provision of infrastructure and public services.

Policy 3.6: Encourage the use of energy conservation devices and passive design concepts which make use of the natural climate to increase energy efficiency and reduce housing

Program 3.1: Site Suitability Criteria:

The City will continue to use the Design Review Process (Article 16E of the Zoning Ordinance) to evaluate site suitability. Under design review criteria, housing should be located on sites that are physically adequate and environmentally suitable for such development and compatible with existing nearby development. These criteria will provide a yardstick for the City to identify and evaluate potential sites for environmentally sound housings. Criteria for this housing will be implemented through the City's Zoning Ordinance. In establishing its own criteria, the City should consider those already set forth by other jurisdictions, including the State and Federal governments. Criteria for grading the suitability of sites may include the following:

8. services available to the Site (e.g., public transportation essential shopping facilities, education facilities, etc.);

9. neighborhood Characteristics (e.g., adjacent land uses, proximity to employment opportunities, environmental consideration, noise levels, etc.); and

10. physical Aspects of the Site (e.g., topography, off-site improvements, etc.).

Agency:	Planning Department
Timeframe:	Current and ongoing
Funding:	Development fees
Objective:	Ensure that all new development comply with site suitability criteria

GOAL 4: FAIR HOUSING

Promote equal opportunity for all residents to reside in the housing of their choice.

In order to make adequate provision for the housing needs of all economic segments of the community, the City must ensure equal and fair housing opportunities are available to all residents.

Policies

Policy 4.1: Affirm a positive action posture which will assure that unrestricted access is available to the community.

Policy 4.2: Prohibit practices which restrict housing choice by arbitrarily directing prospective buyers and renters to certain neighborhoods or types of housing.

Policy 4.3: Continue support and participation in the Riverside County New Horizons' Fair Housing Program to further spatial deconcentration and fair housing practices.

Program 4.1: Equal Housing Opportunity Services:

The County of Riverside established the New Horizons' Fair Housing Program which provides a broad range of services such as: education on fair housing laws, referrals to public agencies on discrimination matters, coordination of training work shops, and publishing a newsletter on fair housing activities. The activities also include news releases to the media, and distribution of information to the housing industry, apartment managers, and rental agencies. The Fair Housing Division provides assistance to the housing industry in voluntary affirmative marketing programs, shows, and conventions. The establishment of a Fair Housing Program with goals, and objectives and the participation of other responsible agencies of the County, attains implementation of various strategies, to increase availability of housing to low- and moderate-income families and individuals through advocacy and non-discriminatory policies.

The County's Fair Housing Program also incorporates the Community Housing Resource Board (CHRB) program component. The CHRB is designed to work with the real estate and building industry to implement and monitor the activities of the National Voluntary Affirmative Marketing Agreement (VAMA), in the areas of rental, sales, advertising, training and recruitment. The qualification of program achievement can only be measured through the settlement of disputes and the prevention of resident dislocation, loss of occupied units, and stabilized vacancy factors as a result of the efforts of the Fair Housing Program.

The City's role in supporting the County's Fair Housing Program is to provide information on the program to interested individuals, host fair housing events, and refer individuals with fair housing complaints to a program representative.

Responsible Agency:	Redevelopment Agency
Timeframe:	Current and ongoing
Funding:	CDBG, County funds
Objective:	Promote equal housing opportunity; educate the public, real estate industry representatives, lenders, and property owners on fair housing requirements; promptly refer and resolve fair housing disputes.

Quantified Objectives

One of the requirements of state law (California Government Code, Section 65583[b]) is that the Housing Element contain quantified objectives for the maintenance, preservation, improvement, and development of housing. State law recognizes that the total housing needs identified by a community may exceed available resources and the community's ability to satisfy this need. Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period, however. Because the SCAG Regional Housing Needs Assessment Plan covers a 7½-year period, the objectives for designating sites new construction cover the period January 1, 1998 to June 30, 2005. The objectives for preservation and conservation cover the period July 1, 2000 to June 30, 2005.

	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Total
Designate Sites to Meet the RHNA New Construction Need at a Minimum	481	289	405	605	1,780
Anticipated Units to Be Constructed (Assisted & Market Rate)	50	200	405	604	1,259
Housing Units to be Preserved*	75	50	N/A	N/A	125
Housing Units to be Conserved**	0	0	N/A	N/A	0

*No quantified objective has been established for moderate- or above moderate-income households—the City assumes such households will be able to maintain their homes with private funds.

**No rental housing units have been identified as being at-risk during the planning period.

CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

State law requires the Housing Element contain a statement of "the means by which consistency will be achieved with other general plan elements and community goals" (California Government Code, Section 65583[c][6][B]). There are two aspects of this analysis: 1) an identification of other General Plan goals, policies, and programs that could affect implementation of the Housing Element or that could be affected by the implementation of the Housing Element, and 2) an identification of actions to ensure consistency between the Housing Element and affected parts of other General Plan elements.

The 1986 General Plan contains several elements with policies related to housing. Polices and the means for achieving consistency are summarized below.

The City will ensure consistency between the Housing Element and other General Plan policies through the following actions in the Housing Element:

1. Maintain the current pattern of residential development, primarily single-family, with an emphasis on protecting single-family neighborhoods.

2. Accommodate other housing types in appropriate areas through multifamily zoning, allowance of manufactured housing in single-family zones (including mobilehome parks), multifamily housing in transitional zones (between commercial and single-family) and along arterial streets, second units, and mixed-use structures in downtown commercial areas.

3. Implement minimum standards for lot size and residential design that permit flexibility but ensure compatibility with surrounding residential uses.

4. Preserve the existing housing stock by permitting and assisting rehabilitation and reconstruction of dwelling units.

General Plan Element	Policy	Policy Statements
Land Resources	Policy 2.4	Discourage development in areas having slopes in excess of 25 percent, and encourage the use of unstable slopes as common open space.
	Policy 3.1	Discourage urban development in areas containing "prime" soils while those lands are still economically productive for agricultural use.
	Policy 5.3	Discourage urban or rural residential development in proximity to productive, economically viable agricultural lands where it is evident that such development will adversely impact productive agricultural uses.

	Policy 6.1	Consistent with other general plan policies, protect sites which contain significant mineral deposits and which are against development which would preclude extraction of the mineral resources.
Public Health and Safety	Policy 13.1	Ensure that no residential structures are built within areas identified by the Federal Emergency Management Agency as being within the 100-year flood plain.
	Policy 17.1	The future development in the southern portion of the City creates potential fire service problems, which will necessitate the development of additional station (s) south of Interstate 10.
Aesthetic and Cultural Resources Element	Objective 20.0	Preservation of significant visual features within and visible from the planning area.
	Policies 20.1	Incorporate significant natural features into the design of new projects, rather than removing them.
	Policy 20.2	Encourage reintroduction of natural elements and significant features as part of the design review process, particularly where significant existing visual features have been removed by necessity.
	Policy 20.3	Maintain low-profile development patterns so that views of the mountains to the north and south can be preserved.
	Policy 20.5	Enhancing existing and planned scenic routes corridors to those, which are compatible with the aesthetic values of these areas.
	Policy 21.1	Prior to City permit approval or issuance of building permits, in areas with a potential for containing archaeological resources, require that an archaeological field survey, including consultation with qualified representatives of Indian groups, be conducted.
Community Development Element	Objective 25.0	Distribute land uses to create a pattern which organizes future growth, minimizes conflict with existing and future land uses, and promotes the rational utilization of underdeveloped and undeveloped parcels.
		Means for Achieving Consistency
		Goal 3 of the Housing Element requires the City to ensure that new housing is sensitive to existing development as well as the natural environment. Policies and programs have been adopted to address compatibility of new residential development and infill development with existing development and residential neighborhoods, with the natural environment, and with other productive uses of land to ensure that those uses are not adversely affected. These policies also assure the new development will not place residents at unreasonable risk of natural events such as flooding, fire, or wind storms.

PUBLIC PARTICIPATION

As part of the Housing Element update process, the Banning Planning Department and Redevelopment Agency conducted a public outreach process that consisted of public notices posted in accessible locations, published notices in the local press, information distributed to individuals and organizations community wide, a public workshop, and public hearings. The City made efforts to include all segments of the community in the public outreach process by contacting known organizations with an interest in housing issues, notifying individuals in the community who have expressed an interest in housing issues, broadcasting public proceedings on the local cable access television station, and distributing notices and documents to public institutions that are accessible throughout the City. All public proceedings were conducted at City Hall, which is accessible to individuals with handicaps.

Specific public events related to the Housing Element included:

1. A citywide public workshop to discuss findings, key issues, and proposed policies, conducted at Banning City Hall on September 28, 2000.

2. A Planning Commission public hearing on the draft Housing Element, conducted at Banning City Hall on November 7, 2000.

3. A City Council public hearing on the draft Housing Element, conducted at Banning City Hall on December 12, 2000.

4. A Planning Commission public hearing on the final Housing Element, conducted at Banning City Hall on _____, 2001.

5. A City Council public hearing on the final Housing Element, conducted at Banning City Hall on _____, 2001.

HOUSING NEEDS ASSESSMENT

POPULATION CHARACTERISTICS

Population Trends

Banning's population increased by nearly half (47 percent) between 1980 and 1990, from 14,020 to 20,570. Between 1990 and January 1, 2000, the City's population grew by just over two percent annually (26 percent total), to 26,000. Although rapid by southern California standards, Banning's population growth was still below the Riverside Countywide rate of 67 percent during the 1980s. Banning's population is still growing, but only two percent annually. Annual population growth should remain at this more modest level through build-out. Table 1 compares the City's population in 1980, 1990, and 2000.

Table 1

Banning Population Growth

1980	1990	2000
14,020	20,570	26,000

Sources: 1990 U.S. Census Bureau; California Department of Finance, Reports E-4 and E-5.

Since 1990, the number of households in Banning has increased more slowly than the population—about 19 percent from 7,431 to 8,845,compared to the 26 percent population growth; this suggests that the average household size has increased over the past decade. By 2005, the number of households is expected to increase by another 14 percent, to 11,097 (Southern California Association of Governments [SCAG] Regional Growth Forecast 2000). According to the U.S. Census Bureau, the average household size in 1990 was 2.72, compared to 2.90 estimated by the California Department of Finance in 2000.

Ethnicity

The City's population in 1990 was primarily non-Hispanic White (60 percent), with comparatively small percentages of other races and ethnicities, except for persons of Hispanic origin (22%). The City's ethnic composition in 1990 was representative of the countywide population distribution.

However, 2000 estimates by National Decision Systems (Claritas) suggest that the percentage of non-Hispanic Whites and persons of Hispanic origin have increased slightly in Banning since 1990, while other racial/ethnic categories have decreased (Table 2 below). If accurate, this estimate suggests that demographic trends, such as predominantly non-Hispanic White seniors and working families moving to Banning, combined with population growth among Hispanic families, have changed the composition of the City over the past ten years. However, complete information on the City's racial and ethnic characteristics from the 2000 U.S. Census will probably not be available until 2002.

Table 2

	1990 Total	Percent	1999 Total	Percent
White (Non-Hispanic)	12,271	60%	16,073	66.4%
Black	1,938	9%	608	2.5%
Native American	298	1%	*	*
Asian or Pacific Islander	1,444	7%	804	3.3%
Other race	41	<1%	607	2.5%
Hispanic origin	4,578	22%	6,111	25.2%
Total	20,570	100%	24,203	100%

*According to Claritas, Native American is classified under "other races".

Sources: Claritas 1999 Estimates; 1990 Census Bureau Data.

Substantial racial and ethnic differences between the city, county, and state populations are outlined below.

The percentage of persons of Hispanic origin countywide is over twice that in the City. Over one-third of county residents described themselves as being of Hispanic origin at the time of the 1990 U.S. Census.

The percentage of persons describing themselves, as "Black" countywide was nearly three times the citywide percentage. Statewide, the percentage of Blacks in 1990 was over four times the citywide percentage.

A much higher percentage of residents both countywide and statewide described their racial background as "Other" than did those in the City.

Gender

With the exception of elderly single women, the City of Banning has a roughly equal distribution of males (49 percent) and females (51 percent). U.S. Census Data (1990) revealed that there were nearly twice as many elderly females over age 75 (1043) as elderly males (668). Fifty-seven percent of the population age 65 and older were women and 61 percent of the population age 75 and older were women. There were higher numbers of boys and young male adults than there were girls and young female adults, but not to a significant degree. The substantially higher percentage of older women than men is typical of most communities due to the longer average life span of women. A relatively even gender mix is expected in a community where there are no large, single-gender institutions that could skew population characteristics. Banning has a relatively low group quarters population representing less than two percent of the population.

Household Type and Composition

Household composition is typically evaluated by comparing such factors as household size, the percentage of family households (two or more related persons), the percentage of families with children, the number of single parent households, and the age of householders.

Of the 7,431 households in 1990, Table 4 shows that the highest percentage of households in the City of Banning were two-person households (37 percent), similar to that of the County at 34 percent. Banning has a higher percentage of one- and two-person households, but a smaller percentage of households in every other category (except seven or more persons). A larger percentage of households countywide consist of families with children than in Banning. Since 1990, Banning's demographics have been significantly influenced by the development of Sun Lakes, a senior community. This development explains, in part, the larger percentage of older adults and the smaller number of households in the three- to six-person range than is found countywide.

Table 4

Number of Persons in Household

	City	County
1 Person	24%	20%
2 Persons	37%	33%
3 Persons	13%	16%
4 Persons	12%	15%
5 Persons	7%	9%
6 Persons	4%	4%
7+ Persons	5%	3%

Source: 1990 Census Bureau Data.

In the majority of communities, most households consist of families (related individuals). To obtain further insight about community characteristics, it is important to understand the composition of these families (presence of children marital status, etc.). Nearly three-fourths of households in Banning and Riverside County were family households in 1990 (72 percent and 74 percent respectively). The 1990 U.S. Census reported that nearly one-quarter (22 percent) of all households in the City were married-couple households, a lower percentage than countywide (Tables 5& Table 6). Family households in the County had a slightly higher percentage of stepchildren than in the City. About 23 percent of households with children were female-headed households with no spouse, while six percent were male-headed households with no spouse. The high percentage of single mothers is of concern, because this population group tends to have significantly lower incomes, higher poverty rates, and more supportive services needs than the population at-large.

Table 5

Household Composition by Type (1990)

Household Type	Number of Households		% of People	
	City	County	City	County
In Family Households				
Householder	5,328	298,517	26%	26%
Spouse	4,323	245,444	21%	21%
Born to and Adopted Children	6,164	347,095	30%	30%
Step children	294	23,955	1%	2%
Grandchildren	477	20,954	2%	2%
Other relatives	757	48,678	4%	4%
Non-relatives	469	27,942	2%	2%
In Non-Family Households				
Male Householder living alone	649	32,891	3%	3%
Male Householder not living alone	177	14,347	1%	1%
Female Householder living alone	1,115	49,169	5%	4%
Female Householder not living alone	92	7,502	<1%	1%
Non-relatives	387	29,454	2%	3%
In Group Quarters				
Institutionalized persons	258	16,274	1%	1%
Other persons in group quarters	80	8,191	<1%	1%

Source: 1990 U.S Census Bureau data.

According to the 1990 Census (Table 6) about 22 percent of households in the City had children under the age of 18, compared to about 30 percent countywide. Over half of all households and nearly three-fourths of households with children were married-couple households in 1990.

Figure 6

Household Composition (1990)

	City	County
Couples w/Children	22%	30%
Single Parent - Males	2%	2%
Single Parent - Females	7%	6%
Families w/No Children	42%	37%
Non-Family Householder	28%	26%

Source: 1990 U.S Census Bureau

Among the other differences between the City and countywide populations in 1990 were:

- a lower percentage of married couple families with children in the City (about one-fourth of all households compared to about one-third countywide);
- a higher percentage of family households without children in the City (42 percent in the City compared to 37 percent countywide); and
- a higher percentage of non-family households (28 percent in the City compared to 26 percent countywide).

Household Income

Households can also be characterized by their levels of income. Four income categories are typically used for comparative purposes that are based on a percentage of the county median income and adjusted for household size. These categories are referred to as "very low-income," "low-income," "moderate-income," and "above moderate-income." The median income on which these four categories are based represents the mid-point at which half of the households earn more and half earn less. In a normally distributed population (that is, one not skewed to either end of the income scale), approximately 40 percent of the population will have incomes within the very low- and low-income ranges, about 20 percent within the moderate-income range, and about 40 percent in the above moderate-income range.

Households in the very low-income category earn 50 percent or less of the Riverside County median income. Low-income households earn between 50 percent and 80 percent of the county median income. Moderate-income households earn between 80 percent and 120 percent of the county median income. Above moderate-income households earn more than 120 percent of the county median income.

Historically, Banning has been home to a high concentration of very low- and low-income households. A comparison of incomes in Banning versus countywide in 1990 and 2000 shows that this historical trend has continued to the present day. An analysis of households by income level reveals that over half (57 percent) of households in the City were in the very-low and low-income categories in 1990. This is a substantially higher percentage than the countywide level of 41 percent. Conversely, only 43 percent of Banning households had moderate or above-moderate incomes in 1990 (less than 10 percent earned between $60,000 and $100,000). City and County income in 1989 is shown in Table 7.

The median household income in the County in 1989 for all households was $33,081, compared to $22,514 in the City of Banning, a 47 percent difference (1990 U.S. Census Bureau). The U.S. Department of Housing and Urban Development (HUD) lists the 1999 median county income for Riverside as $47,200, while Claritas estimates the 1999 City median income at $25,811.

Table 7

City and County Income Rates (1989)

	Percent
<$5K	6%
$5K - $15K	26%
$15K - $25K	22%
$25K - $35K	16%
$35K - $50K	15%
$50K - $75K	12%
$75K - $100K	2%
$100 - $150K	1%
>$150K	0%

Source: 1990 Census Bureau Data, rounded to the nearest $100.

HUD's countywide median income estimate for 2000 is $47,400, a slight increase from its 1999 estimate. No comparable income estimate is available for the City of Banning.

Although the presence of senior homeowners in Sun Lakes has had a influence on city incomes (most tend to fall in the moderate-income range), their presence, by itself, has not been sufficient to overcome the more rapid growth in incomes countywide. Many communities in Riverside County have experienced an influx of working families with moderate- to high-paying jobs in Orange and

Los Angeles counties. Banning has been influenced primarily by the availability of lower-paying jobs in the resort, service, retail, and gaming industries of the Coachella valley.

Table 8

Banning Households by Income (1990)

	City	County
Very Low Income	38	25
Low Income	19	16
Moderate Income	19	18
Above Moderate Income	24	41

Source: 1990 Census Bureau Data.

Poverty

According to the 1990 U.S. Census, approximately 20 percent of Banning's population was below the poverty level. The City has a higher percentage of people below the poverty level than either the County (12 percent) or State (13 percent). Groups most likely to have poverty level incomes in substantially higher proportions than the population as a whole are families with children (particularly single mothers) and the elderly. The poverty level is defined each year by the federal government as a dollar amount representing a subsistence level of income. The poverty level is adjusted for household size and composition.

Approximately 45 percent of people below the poverty level in the City were age 18 to 64, and 46 percent were children age 17 and younger. The majority of these children were school age (between ages five and 17). Female householders represent 62 percent of all families below the poverty level. Female householders with children age 17 and younger represent 58 percent of all families below the poverty level. Eight percent of all impoverished persons were age 65 or older, and most (77 percent) were White. The poverty rates for each age group do not correlate with the percent of each age group within the total population. Compared to the total population, a higher percentage of families with children (especially single mothers) and elderly were below the poverty level, while a lower percentage of adults are below the poverty level.

The poverty rates in Table 9 show disparities between specific groups within the community. The elderly, single mothers, and children all had higher poverty rates than the comparative population and overall poverty rates for the City as a whole. Comparison by race also shows disparities among some minority groups, specifically Blacks, Native Americans, and Hispanics who had higher poverty rates than Whites, Asians, or Others, and the City as a whole.

Table 9

Poverty Rates (1990)

Group	Above Poverty Level	Below Poverty Level	Poverty Rate
Elderly	3,821	298	8%
Non-Elderly	12,971	3,108	24%
Single Mothers	1,655	1,214	73%
Non-Single Mothers	15,137	3,406	23%
Children	4,227	1,537	36%
Adults	8,744	1,571	18%
Black	1,224	740	60%
Asian/Pacific Islander	887	630	71%
Hispanic*	3,550	964	27%
Native American	317	74	23%
Other	1,956	510	26%
White	12,408	1,452	12%
Total Population	16,792	3,406	20%

Source: 1990 Census Bureau Data.

*Note: People of Hispanic origin are also included in the analysis of other ethnic and racial groups. Therefore, the analysis of the other ethnic and racial groups includes the Hispanic population.

EMPLOYMENT TRENDS

Area Employment Profile

The local economy is based largely on agriculture, food processing, retail trade, and miscellaneous manufacturing. Banning is part of a larger regional employment market that includes resorts and gaming casinos in the Coachella Valley. A substantial amount of the population in Banning commutes to jobs in nearby cities within this larger regional market, such as Redlands, Hemet and the Palm Springs desert area.

Employment in the local area, and jobs held by the majority of Banning residents, skew heavily to lower-paid retail, services, and semi-skilled manufacturing jobs. The three largest employers in the Banning Community Area employ more residents (nearly 3,100) than the other 18 largest employers combined (about 2,700). Table 10 shows that most jobs provided by the area's largest employers are in lower-paying private sector industries.

Table 10

Primary Manufacturing Employers in Banning Community Area*

Employer	Employees
Deutsch	600
Dura Plastic Products, Inc.	200
Skat-Trak, Inc.	115
Perfection Planting	110
Pacific Window	90
DBC West	60
Beaumont Juice	57
American Linen	55
Orco Block	25

Table 10 *(continued)*

Primary Non-Manufacturing Employment in Banning Community Area*	
Desert Hills Premium Outlets	1,500
Casino Morongo	950
Beaumont Unified School District	590
Banning Unified School District	350
San Gorgonio Hospital	255
Childhelp USA	191
City of Banning	186
County of Riverside	180
State of California	120
City of Beaumont	57
Beaumont-Cherry Valley	16
City of Calimesa	8

Source: Community Economic Profile for Banning. Prepared in Conjunction with the City of Banning and the Banning Chamber of Commerce.

* Area consists of Banning, Beaumont, Calimesa, Cherry Valley, and Cabazon (the San Gorgonio Pass Census Division)

While job growth and employment opportunities will continue to expand in the region, most local public agencies involved in economic development do no expect a significant change in the type of employment between 2000 and 2005. For the period covered by this Housing Element, therefore, the majority of jobs available locally and in the region will continue to be in moderate- to lower-paying industries.

Unemployment

According to the California Employment Development Department (EDD), the City of Banning has an 11.1 percent unemployment rate as of August 2000, (1,140 persons of a total labor force of 9,930 people). The unemployment rate for the City is higher than the countywide rate of 7.2 percent. In 1990, the City had a slightly lower unemployment rate of 10.8 percent, compared to the County's unemployment rate of 7.0 percent the same year. Therefore, employment rates have remained fairly stable in the City and County over the past decade, and will likely continue to do so in the future.

SPECIAL NEEDS

Special housing needs arise due to physical, economic, social, or cultural characteristics or conditions that are present in a substantial percentage of the local population. These characteristics

or conditions distinguish individuals from the general population and lead to housing or supportive services need that are not (or cannot) be met by the private market acting alone. Examples of special housing needs include accessibility for the mobility impaired, transitional housing for those leaving a homeless environment, and housing specifically designed for the physical and social needs of older adults.

Characteristics such as age or physical limitations may be present in a large portion of the population. It is important for the community to accommodate a variety of housing types to serve such special needs groups. For example, handicap accessible housing or units that are designed to aid the physical limitations of the elderly may be needed in a community with a large populations of this age group. Conversely, a community may have a large population of, low-income families that need adequately sized housing at a low cost. Affordability issues are also important to groups such as female-headed households, college students, farm workers, or military personnel. Therefore, the City needs to evaluate the types of special needs groups in order to address the special housing needs.

Elderly

As is the case in many well-established suburbs, the numbers and percentages of the elderly population is growing. Table 11 lists the population figures by age of those residents over the age of 55 and over the age of 65 during a 10-year period. Table 11 shows that the percentage of elderly in the overall population of Banning is increasing. According to the 1990 Census, 21 percent of the 1990 population was over 65 (4,363) and 11 percent were over 55 (2,063).

Table 11

Pattern of Aging in the Banning Population

	1980	1990	Percent Change
Total Population	14,020	20,570	32%
Population 55+	1,461 (10%)	2,063 (11%)	29%
Population 65+	2,713 (19%)	4,363 (21%)	38%

Source: 1980-1990 U.S. Census Bureau.

Seven hundred and sixty-six persons over the age of 65 were receiving public assistance in 1989. Older adults tend to have a lower poverty rate in most communities (young families with children, especially single mothers, usually have the highest poverty rate). In 1990, the incidence of poverty was lower among the population over 65 years of age (7 percent) than it was for the population between the ages of 18 and 64 (19 percent).

Tenure is important when analyzing the needs of seniors. Senior householders occupy 2,178 owner occupied houses and 504 renter occupied houses. The percentage of seniors 65 and over living in owner-occupied housing was 81 percent according to the 1990 U.S. Census, compared to 65 percent of the owner population at large. Since many seniors live on fixed incomes and inhabit aged housing stock that may need rehabilitation, the City should provide rehabilitation programs for existing units, as well as the creation of affordable senior housing units.

One common special need among the "frail" elderly is for care facilities that combine meal, medical, and daily living assistance in a residential environment. There are five State Department of Social Services licensed elderly care facilities and one facility that currently has a pending license (CA Department of Social Services Community Care Licensing.). Banning Villa (capacity 45), Golden Meadows (capacity 49), Golden View Guest Home, which specializes in Alzheimer and Dementia patients (capacity 30), Shepherd Watch Elderly Care Home (capacity 4), Villa La Roe (capacity 22) and Mountainside Home for Elders (pending license) (capacity 6).

Most of the other care facilities available to the elderly of Banning are located in the near by city of Beaumont. Sunset Haven Health Center is a skilled nursing facility in Beaumont with a capacity of 58 people they (currently have 45 people). Beaumont Care and Palm Grove are both security gated care facility for Alzheimer and Dementia patients. The capacity for Beaumont Care is 86, they currently have 71 patients in residence, and the capacity for Palm Grove is 57, they currently have 53 patients.

Sun Lakes is a senior living community in Banning. The community is comprised of condominiums townhomes, duplexes and single-family homes. There is one 18-hole PGA golf course, and one 9-hole executive course that is currently being expanded into another 18-hole golf course, swimming pools, tennis courts, and other amenities associated within the community. They are developing the 2nd 9 hole gold Currently the Sun Lakes Community has a very low vacancy rate and there are currently no rentals available. The going prices for single family homes in Sun Lakes community is between $125,000-$300,000, with most homes selling in the mid- to high-$100,000s. The price for a condominium, townhome, or duplex ranges between $80,000-$174,000. All of the housing in close proximity to the golf course is relatively more expensive. There are currently 2,700 housing units completed with 700 more units projected over the next five years.

Large Families

Low- and moderate-income large families can have difficulty securing adequate housing because they cannot afford houses with enough bedrooms to meet their space needs. In Banning, few large families earning less than 80 percent of the median income would be able to find houses of three or more bedrooms affordable to purchase. Most very low-income, large families may have difficulty renting three or more bedroom affordable homes. According to the 1990 Census there were 1,091 households of five or more persons. Of the large household, 1,082 are large families and the remaining 9 are non-family households. Large households occupied approximately ten percent of owner-occupied units and twenty-four percent of renter-occupied units.

The median household size is currently 2.9 people per household as of January 1, 2000. At the time of the 1990 Census the number of persons per family was 3.19 and median household size was 2.7 people, with the largest number of households having only two persons (2,696 out of 7,431). The next largest group was one-person households (1,764 out of 7,431).

The City contains more housing units with two bedrooms (46 percent) than any other number of units. The large family percentage rate of renters (56 percent) is higher than that of owners, (44 percent). This might be an indication that there may not be enough lower cost owner housing units affordable to low-income large families.

Table 12

Tenure by Persons in Occupied Units

Number of Persons in Household	Owner Occupied	Renter Occupied
5	260	269
6	111	159
7+	124	194
Total	**495**	**622**

Source: 1990 Census Bureau Data

Individuals with Disabilities

Approximately 7 percent of the City's non-institutionalized residents have physical conditions that affect their ability to live independently in conventional residential settings. These individuals have mobility impairments, self-care limitations, or other conditions that may require special housing accommodations or financial assistance. Individuals with such disabilities can have a number of special needs that distinguish them from the population at large.

- Individuals with mobility difficulties (such as those confined to wheelchairs) may require special accommodations or modifications to their homes to allow for continued independent living. Such modifications are often called "handicapped access."
- Individuals with self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services, ranging from congregate to convalescent care. Support services can include medical therapy, daily living assistance, congregate dining, and related services.
- Individuals with developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments.
- Individuals with disabilities may require financial assistance to meet their housing needs because a high percentage are low-income due to their often-limited earning potential. In addition, their special housing and supportive service needs place additional financial burdens on individuals with disabilities, making daily living more costly than non-disabled persons living in conventional housing.

Some people with mobility and/or self-care limitations are able to live with their families to assist in meeting housing and daily living needs. A segment of the disabled population, particularly low-income and retired individuals, may not have the financial capacity to pay for needed

accommodations or modifications to their homes. Even those able to pay for special housing accommodations may find them unavailable in the City.

Disabled persons often require special housing features to accommodate physical limitations. Some disabled persons may have financial difficulty due to the cost of having their special needs met or because of difficulty in finding appropriate employment. Although the California Administrative Code Title 24 requires all public buildings be accessible to the public through architectural standards such as ramps, large doors, and restroom modifications to enable handicap access, not all available housing units have these features. According to 1990 Census data, there were approximately 1,345 non-institutionalized disabled persons over age 16 in Banning.

According to the 1990 U.S. Census, Table 12 shows that 664, or 6 percent, of persons between the ages of 16 and 64 had mobility and/or self-care limitations.

Many persons with disabilities can benefit from a residential environment that provides supportive services in a group setting. The State Department of Social Services provides a program called Community Access. This program provides disabled residents of Banning training for jobs and transportation to and from support groups and to social and economic services throughout the community.

Table 12

Mobility and Self-care Limitation Status of Civilian Non-Institutionalized Persons

Disability	City	Percent	County	Percent
16 to 64 Years				
Mobility Limitation Only	163	2%	8,430	1%
Self-care Limitation Only	233	2%	18,796	3%
Mobility and Self-care Limitation	268	2%	6,802	1%
No Mobility or Self-care Limitation	12,228	94%	661,195	95%
65 to 74 Years				
Mobility Limitation Only	164	6%	3,516	4%
Self-care Limitation Only	65	3%	3,382	4%
Mobility and Self-care Limitation	80	3%	3,092	3%
No Mobility or Self-care Limitation	2,314	88%	82,009	89%
75 Years and Over				
Mobility Limitation Only	126	9%	5,794	10%
Self-care Limitation Only	75	5%	2,379	4%
Mobility and Self-care Limitation	171	11%	6,207	11%
No Mobility or Self-care Limitation	1,124	75%	43,305	75%

Source: 1990 Census Bureau Data

Families with Female Heads

Most female-headed households are either single elderly women or single mothers. Traditionally, these two groups have been considered special needs groups because their incomes tend to be lower, making it difficult to obtain affordable housing, or because they have specific physical needs related to housing (such as child care or assisted living support). Single mothers in particular tend to have difficulty in obtaining suitable affordable housing. Such households also have a greater need for housing with convenient access to child-care facilities, public transportation, and other public facilities and services. In addition, single mothers, often face discrimination in obtaining rental housing due to their income levels, sources of incomes (often public assistance and/or child support), and the presence of children—even though such discrimination is illegal.

Of the 7,431 households in the City, 2,177 are female-headed households of which 930 (17 percent) are female-headed family households. In addition, 1,247 people living in female-headed, non-family households, of which, 1,132 were women living alone.

According to the 1990 U.S. Census, 356 (6 percent) of the City's female-headed households are classified as living below the poverty level. It may be assumed that most of these households are overpaying for housing (i.e. more than 30 percent of their income), or are experiencing other unmet housing needs. As a result of poverty, female heads of households often spend more on immediate needs such as food, clothing, transportation, and medical care, than on home maintenance, which results in living units falling into disrepair.

Farm Workers

According to the 1990 Census, 170 persons (3 percent) were employed in farming, forestry, and fishing occupations out of a total labor force of 6,501 in Banning. These individuals are permanent resident of the community. The EDD includes farm workers, nursery workers; delivery truck drivers for produce and flower, horticulturists, landscapers, tree trimmers, and lawn gardeners in this category. Generally housing programs geared to low-income large families can address the needs of the farm worker population. There are no migrant farm labor camps in or near Banning, nor is there significant agricultural activity in the City's planning area of the type that would attract a substantial number of migrant farm workers.

Homeless

Homelessness is caused by a number of social and economic factors, including a breakdown of traditional social relationships, unemployment, shortage of low-income housing, and the deinstitutionalization of the mentally ill. A homeless person lacks consistent and adequate shelter. Homeless persons can be considered resident (those remaining in an area year-round), or transient. Emergency and transitional shelters can help to address the needs of the homeless. Emergency shelters provide a short-term solution to homelessness and involve limited supplemental services. In contrast, transitional shelters are directed towards removing the basis for homelessness. Shelter is provided for an extended period, and is combined with other social services and counseling to assist in the transition to self-sufficiency.

The nature of the homeless population makes exact counting difficult. The 1990 U.S. Census found no "visible" persons living on the streets and no people in homeless shelters. However, Census counts are not generally accepted as an accurate reflection of homelessness. Because the homeless move around and are not always visible on the street it is difficult to get an accurate count of homeless persons in a community. There is no one agency that comprehensively tracks homelessness and homeless individuals. Even the Banning Police Department can provide only anecdotal evidence about homelessness in the City.

Discussions with social service organizations, the Police Department, and others dealing with emergency housing and the homeless on a daily basis reveal that there might be a need for additional homeless and supportive services for the entire region (based on present capacity and funding of these organizations in relation to current and projected demand). Banning provides a regional magnet for homeless and other social services, attracting individuals from throughout the San Gorgonio Pass area and beyond. In addition, social service clients and former correctional

institutional inmates who often end up in Banning become homeless in disproportionately large numbers relative to the population at large. None of the groups contacted could provide a reliable region-wide estimate of homelessness beyond the number of clients each serves.

Agencies Offering Public Assistance to Homeless and Other Special Needs Groups

Family Connection is a program funded by the State Department of Social Services; this nonprofit organization operates most of the special needs programs in the city. Family Connection is in charge of The Salvation Army Family Services, TEMPO, (a teen mentoring program), Red Cross, training people for disaster assistance and Mental Health Programs such as Community Access. The Salvation Army also has a Healthy Families Program to provide medical insurance for families who qualify for it. Through Family Connection, people can get a list of Shelters available throughout Riverside County.

Many of the programs that provide, food, health care, training, and supportive social services are available to all individuals who lack financial resources. A large percentage of the clientele for these programs are homeless or threatened with homelessness, so representatives of these programs can often provide the most accurate information about homelessness in the area.

The Salvation Army Family Services in Banning offers a Food Program for people who do not have enough money to buy food. The program offers people and families food for three days. Flyers are posted throughout the City to advertise this program, but many individuals find out about the programs "walk-ins" to the Salvation Army inquiring about assistance. The Salvation Army also has a housing program that is currently under- funded (and non-operational) and the organization is currently low on donations. Salvation Army is waiting for a FEMA grant to re-start the Housing program. The Housing Program is for emergency housing purposes. If a person or family can't pay its rent due to the loss of a job, then the Salvation Army can assist with the cost of a motel for a week or two, or provide the first month's rent until client is financially stable and can move back into conventional housing.

Set Free Christian Ranch in Cabazon, is a facility for homeless, abused, or lost people. There are two facilities; a Men's Ranch and a Women and Children's Facility. Currently there are 80 men at the ranch and approximately 20 women and children at the Facility. No one is turned away but there is a 60-day commitment to stay. The facility provides spiritual healing through daily activities and work programs.

The County of Riverside provides 2 public service agencies in Banning, Cal Works/Gain and Temporary Assistance & Medi-Cal the Temporary Assistance and Medical. The Cal Works Gain Program helps unemployed people back into the work force. The program provides job listings education programs for people to learn skills, interview preparation and transportation to the actual interviews. The Temporary Assistance & Medi-Cal Program gives special facilities to families in need. Families that qualify can receive cash aid, Medi-Cal, and Food Stamps.

ASSISTED HOUSING PROJECTS/PROGRAMS

City of Banning

Because Banning is not an entitlement community for the receipt of federal funds, the City has relied on Riverside County to provide pass-through funding under a number of federal programs. In addition, Banning has generated a small, but growing, amount of local funding through its Redevelopment Agency, which must set aside 20 percent of the property tax increment it receives in a housing fund to benefit low- and moderate-income households.

The City has several new programs designed to improve housing conditions, increase homeownership, and provide additional housing opportunities for low- and moderate-income households. For example, the City just started a program to help improve the exterior for owner occupied housing units. The program will assist low and very-low homeowners with fixing up their homes. A grant of up to $7,500 will be given to eligible homeowners. Under this grant the homeowner will be required to maintain the home for up to 7 years or the money will be taken. The City has also taken steps in recent years to increase code enforcement activities and remove dilapidated structures that are infeasible to rehabilitate to improve property conditions in the City. Finally, the City plans to implement a local program to assist low-income households in purchasing a home.

County Housing Programs

According to the County Housing Authority there is limited funding for housing assistance programs and a very large number of families requesting assistance (there are approximately 23,000 families waiting for assistance), the wait for assistance can be less than one to seven years. In Banning, there are currently 138 families on the waiting list for public housing and there are 286 families waiting for Section 8 vouchers, some of which may be on both lists. Descriptions of the programs provided by the Riverside County Housing Authority are outlined below.

In the tenant-based Section 8 programs, the Public Housing Authority (PHA) verifies a family's eligibility (including income eligibility) and then issues the family a voucher. The family generally has 60 days to locate a rental unit where the landlord agrees to participate in the program. The PHA determines whether the unit meets housing quality standards (HQS). If the PHA approves a family's unit and lease, the PHA contracts with the owner to make Housing Assistants Payment (HAP) on behalf of the family. The PHA may not approve a lease unless the rent is reasonable.

Under the rental certificate program, the initial rent and utility costs normally may not exceed a HUD established fair market rent (FMR) for the unit size in the area, and the tenant is generally required to pay 30 percent of adjusted monthly income toward rent and utilities (the total tenant payment). The Housing Assistants Payment (HAP) made by the Public Housing Authority (PHA) to the owner makes up the difference between the rent the owner charges for the unit and the amount of the total tenant payment.

The Homeownership Empowerment Lease Purchase (HELP) Program is funded by the U. S. Department of Housing and Urban Development (HUD) and administered by the Housing Authority of the County of Riverside. The HELP Program provides eligible families the opportunity to lease a single family home from the Housing Authority and obtain down payment assistance to help them purchase the home. Program participants lease the home from the Housing Authority until they accumulate enough money for a down payment and qualify for a loan to purchase the home.

There is one multi-family complex in Banning that currently participates in HUD's Section 8 program, Westview Terrace. This complex contains 75 units and the expiration date is January 10, 2013, therefore it is not at risk. The Housing Authority owns several bond financed multi-family rental housing developments in various cities throughout the County of Riverside there is one apartment complex is Beaumont, Noble Creek Apartments. These attractive multi-family rental housing developments were constructed or purchased under contracts with, and funding provided by HUD. These rental-housing units are owned and managed by the Housing Authority. Housing Authority owned affordable housing consists of 491 units scattered over twenty-two sites through the Riverside County area. Upon being determined eligible, a family is given the choice of sites available at the time their name is drawn from the waiting list. The family must choose from available sites in order to receive housing assistance. This program is sometimes called the "conventional housing program".

Fair market rents for the Riverside County area in fiscal year 2000 are provided in Table 13 below. For the 40th percentile fair market rents for manufactured home spaces in the Section 8 Choice Housing Program, space rents in Riverside County are listed at $609 for fiscal year 2000 (Federal Register, February 2000).

Table 13

Fair Market Rents for Existing Housing in Riverside County

Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
$448	$499	$609	$845	$999

Source: Federal Register, HUD, February, 2000

Individual initiative and the use of Community Development Block Grants (CDBG) have helped. In previous years the CDBG program has been used to assist with home improvement for applicants that meet the income guidelines.

UNITS ELIGIBLE FOR CONVERSION

In 1989, the California Government Code was amended to include a requirement that localities identify and develop a program in their housing elements for the preservation of assisted, affordable multi-family units. Subsequent amendments have clarified the scope of the analysis to also include units developed pursuant to inclusionary housing and density bonus programs. In the preservation analysis, localities are required to provide an inventory of assisted, affordable units that are eligible to convert within ten years. As part of the analysis, an estimation of the cost of preserving versus replacing the units is to be included, as well as programs designed to preserve the affordable units.

The California Housing Partnership Corporation provides an inventory of federally subsidized rental units at risk of conversion. Currently no HUD-assisted multi-family housing developments with Section 8 contracts in the City of Banning are at risk of conversion over the next ten years. One assisted rental housing development, Westview Terrance, has a federal Section 8 contract does not expire until January 1, 2013.

BANNING HOUSING PROFILE

According to the California Department of Finance, approximately 1,007 housing units were vacant in 2000, a vacancy rate of 10.22 percent. Over two-thirds of the City's housing units were single family detached homes (68 percent), followed by mobile homes (12 percent), multiple units of five or more (7 percent), multiple units of two to four (7 percent) and single-family attached units (6 percent). By comparison, the countywide vacancy rate was 16.97 percent. The proportion of different types of housing countywide remained constant between 1990 and 2000—61 percent single detached houses, 14 percent multiples of five or more units, thirteen percent mobile homes, seven percent single attached houses and five percent multiples of two to four units. Countywide, there are a substantially higher percentage of housing units in multifamily buildings of five or more units.

Annual changes in the housing stock varied considerably, with some years resulting in a majority of single-family units and other years resulting in a majority of larger multi-family complexes. . Tables 14 and 15 show the annual changes in the housing stock between January 1990 and January 1999 as determined by the California Department of Finance.

Table 14

Housing Estimates for the City of Banning (1990 through 2000)

Year	Housing Units								Persons Per Household
	Total	Single		Multiple		Mobile Homes	Occupied	% Vacant	
		Detached	Attached	2 to 4	5 Plus				
1990	8,279	5,418	596	514	597	1,154	7,432	10.23	2.720
1991	8,838	5,792	596	586	706	1,158	7,934	10.23	2.740
1992	8,942	5,897	596	581	706	1,162	8,027	10.23	2.767
1993	9,058	6,001	596	586	713	1,162	8,131	10.23	2.783
1994	9,167	6,087	596	618	703	1,163	8,229	10.23	2.798
1995	9,295	6,181	596	652	703	1,163	8,344	10.23	2.784
1996	9,348	6,232	596	654	703	1,163	8,392	10.23	2.801
1997	9,470	6,352	596	656	703	1,163	8,502	10.22	2.811
1998	9,569	6,459	596	656	695	1,163	8,591	10.22	2.855
1999	9,683	6,573	596	656	695	1,163	8,693	10.22	2.883
2000	9,852	6,748	596	656	689	1,163	8,845	10.22	2.898

Source: California Department of Finance, 1990-2000 City/County Population and Housing Estimates, 1990-2000.

Source: 1990 Census Bureau Data

Table 15

Housing Estimates for the County of Riverside (1990 through 2000)

Year	Housing Units								Persons Per Household
	Total	Single		Multiple		Mobile Homes	Occupied	% Vacant	
		Detached	Attached	2 to 4	5 Plus				
1990	483,847	274,685	38,282	25,758	70,561	74,561	402,067	16.90	2.849
1991	500,979	287,734	38,714	26,192	72,788	75,551	416,918	16.78	2.872
1992	513,069	295,264	38,935	26,558	76,032	76,280	426,974	16.78	2.911
1993	522,832	301,945	39,095	26,963	77,991	76,838	435,099	16.78	2.937
1994	530,767	308,703	39,486	27,089	78,078	77,411	441,648	16.79	2.955
1995	538,273	315,320	39,671	27,198	78,290	77,794	448,066	16.76	2.959
1996	544,983	321,679	39,671	27,386	78,453	77,794	453,493	16.79	2.979
1997	552,061	328,195	39,951	27,411	78,771	77,733	458,021	17.03	2.992
1998	559,543	335,082	39,974	27,452	79,165	77,870	464,224	17.04	3.038
1999	569,287	344,415	39,872	27,463	79,667	77,870	473,016	16.91	3.068
2000	582,419	355,756	39,890	27,483	81,396	77,894	483,580	16.97	3.086

Source: California Department of Finance, 1990-2000 City/County Population and Housing Estimates, 1990-2000.

Annual Growth of Housing Stock

Table 16 summarizes building permit activity in Banning over the past seven years. The majority of housing units built in this period are privately owned single dwelling units. Building activity has remained steady between 1993 and the present, with slight variations from year to year. Limited data is available for fiscal year 2000, and therefore, totals for that year represent only a portion of the building activity that occurred.

Table 16

Permit Activity Summary

Year	Number of Permits New Single Family Dwellings	Total Valuation of Permits for the Year
1993	150	$23,683,802
1994	116	$18,601,940
1995	135	$19,437,959
1996	155	$21,195,048
1997	157	$21,429,985
1998	139	$19,882,222
1999	148	$24,124,562
2000	56	$13,513,218
Total	1,056	$161,868,735

Source: City of Banning, 1993-2000

Permit and Development Impact Fees

The City of Banning charges a number of permit and development impact fees to cover the cost of processing development requests, providing public facilities and services to new development, and mitigating the environmental impacts of new development. Although these fees are necessary to meet City service and environmental standards, they can have a substantial impact on the cost of housing, particularly affordable housing. Table 17 summarizes the various permit fees charged by the City. Table 18 summarizes the City's development impact fees.

Table 17

Summary of Banning Development and Permit Fees

ZONING	
Annexation	$2,047.50 + $27.30/hr. over 75 hours + LAFCO fee
Appeals	$202
Certificate of Compliance	$164 + $19.65 per lot
Conditional Use Permit (CUP)	Non-residence: $655 Residence: $655 + $7.10 per d/u
Amendment to CUP	$500
Design Review	$273
Development Agreement	$3,303 + legal fees
General Plan Amendment	$1,228.50 + $16.40 per acre
Land Use Permit (LUP)	$218.50
Landscape/Irrigation Plan Check	$50 = Prevailing rate of Landscape Architect
Lot Line Adjustment/Merge	$164 + $19.65 per lot
Planning Information Letter	$50 - $75
Sign Review	$40
Site Plan Review	$218.50
Specific Plan	$1,529 + $5.50 per d/u
Specific Plan Amendment	$600.50
Tentative Tract Map (5 or more lots)	$1,201 + $16.40 per lot
Tentative Parcel Map (4 or fewer lots)	$710 + $16.40 per lot
Tentative Map Extension	$409.50
Unclassified Use Permit (UUP)	$1,037
Request for Continuation of Public Hearing	$75
Request for Continuation of Public Hearing Requiring Additional Public Noticing	$150
Amendments: Conditional Use Permit	$500
Amendments: Specific Plan	$600.50
Additional Fees may be applicable depending on the value of the property	

Source: City of Banning, 2000.

Table 18

Development Impact Fees

Type	Fee
School Impact Fee	$2.05 per square foot for new non-senior residential $0.33 per square foot for commercial & industrial uses
Fire Facilities	$543.05 per residential unit $0.275 per sq. ft. commercial
Police Facilities	$364.11 per residential unit $0.275 per sq. ft. commercial
Park Land	$999.00 per low density or specific plan residential unit $821.00 per medium density residential unit $530.00 per high density residential unit $1,233 per commercial/industrial unit
Traffic Facilities	$0.12 per residential sq. ft. $0.19 per commercial sq. ft.
Water Connection Fee	$1,741 per unit
Water Meter Fee	$375 per unit
Sewer Connection Fee	$1,813 per unit
Electric Meter Installation Fee	$165 per unit
Electric Utility Construction Fee	$1.07 per square foot

Source: City of Banning, 2000.

Normally, permit fees would have a minimal impact on housing costs because most the fees are flat rate charges, not per unit charges, and can be spread over the entire development. For a modest-sized development proposal, permit fees would typically amount to a few hundred dollars per dwelling unit. Permit fees could have a more substantial impact on small, infill projects that would be typical of most remaining vacant land.

Development impact fees have a much larger effect than permit fees on the final cost of a home. Such fees include water and sewer impact and hook-up costs, park fees (in lieu of land dedication), traffic impact fees, and similar charges. Based on the schedule of fees shown in Table 18, these impact fees average about $9,000 for a typical 1,500 square foot single-family dwelling. These fees represent between approximately 7 percent of the total cost of a dwelling unit, depending on the dwelling unit type, square footage, number of bedrooms, and land development cost. The cost-impact of these fees is not significant for a typical single family home. Local developers are still able to offer such homes in the low- to mid-$100,000 range. The City's development impact fees could be significant for an affordable multifamily housing project, however, fees would require additional project funding to make the affordable project "pencil out." A savings of several thousand dollars in impact fees for an affordable single-family development could also help

additional low-income households achieve homeownership, saving these households up to $50 per month in housing costs.

Table 19

Banning Vacant Land Summary

Zone Type	Vacant Acres (approx.)	Development Potential (# of Dwelling Units)
Residential Agricultural (RA)	2535.53	5,522
Single Family Residential (R-1-10, 000)	85.57	373
Single Family Residential (R-1-14, 000)	104.27	324
Single Family Residential (R-1)	544.21	3,387
One Family Residential (R-1-70	64.96	404
Mixed Family Residential (R-2)	131.39	572
Multiple Family Residential (R3)	49.49	215
Residential Planned Senior Citizen Development (RPSCD)	0.41	0
Downtown Commercial (D-C)	1.97	Single family structure when attached to a commercial building
Limited Commercial (C-1)	0	Residential use when located above ground floor.
General Commercial (C-2)	113.29	Residential use when located above ground floor.
Commercial Manufacturing (C-M)	587.62	0
Manufacturing (M)	306.69	0
Airport Operation (AP-1)	52.03	0
Airport Clear Zone (AP-2)	0	0
Airport Facilities (AP-3)	77	0
Airport Planned Development (AP-4)	64.05	0
Airport Commercial Industrial (AP-5)	147.01	0
Residential Agricultural (RA - One Acre)	0	0

Table 19 *(continued)*

Banning Vacant Land Summary

Residential Agricultural (RA - Two Acres)	0	0
High Density Single Family (HDSF)	0	0

Senior Housing (SH)	0	0
Public/Quasi-Public (PQP)	0	0
Open Space (OS)	0	0
Mixed Use (U)	0	0

Banning Zoning Code Requirements

Table 20 summarizes the City's zoning requirements for housing. Although these requirements apply to new development, their practical impact in affecting the construction of housing for low-income households is minor in comparison to non-governmental constraints. Nevertheless this table describes the key development regulations and policies that potentially affect the City's ability to accommodate low-income housing.

Table 20

Banning Zoning Code Requirements

Development Components	District			
	R1, R2	R-1, R-1-70	R-2	R-3
Lot Area – Minimum (sq/ft)	R1: One Acre Lots R2: Two Acre Lots	7,000sq ft	7,000sq ft	10,000sq ft
Lot Coverage – Maximum	40%	50%	50%	60%
Setbacks (ft) Front Side Rear	30ft 10ft (single story) 15ft (two-story) 20ft	 25ft 5ft 20ft	25ft 5 ft (first story) 10 ft (two story) 20ft	15ft 5 ft (first story) 10 ft (two story) 15ft
Maximum Height – Structure (ft)	35ft	35ft	35ft	35ft
Minimum Dwelling Area – Structure (sq/ft)	1,250	1,200	1- detached single family unit 1- two family dwelling unit	1- two family dwelling unit 1 multi-family dwelling unit
Parking (spaces)	2/dwelling unit (2 covered)	2/dwelling unit (2 covered)	2/dwelling unit (1 covered)	2/dwelling unit (1 covered)

Housing Occupancy and Tenure

Of the 8,278 year-round dwelling units reported by the Census Bureau in 1990, 7,431 units (90 percent) were occupied and 847 units (10 percent) were vacant. Most of the vacant units were for sale, as shown in Table 21. In 1990, more housing units were owner occupied (4,864 or 65 percent) than renter occupied (2,567 or 35 percent). By comparison, the tenure of occupied housing units in the County are relatively similar, 67 percent owner-occupied units and 33 percent renter occupied units.

Table 21

Type of Vacant Units in Banning (1990)

Unit	Number of Units in City	Number of Units in County	Percent of City Vacant Units	Percent of County Vacant Units
For Rent	155	14,495	18%	18%
For Sale Only	171	14,067	20%	17%
Rented or Sold, Unoccupied	257	6058	30%	7%
Seasonal Use	114	35683	14%	44%
For Migrant Workers	0	153	0%	<1%
Other Vacant	150	11.324	18%	14%

Source: 1990 Census Bureau Data.

Ownership rates listed in Table 22 reveal that, with the exception of Whites, rental rates in all the ethnic groups were higher or equal to the owners. This suggests that there might be some difficulty becoming homeowners due to the relatively lower income levels in the city.

Table 22

Tenure by Race and Hispanic Origin (1990)

Race	City	Percent	County	Percent
Owner Occupied Units				
White	3,855	79%	214,118	48%
Black	317	7%	9,570	2%
Native American	39	1%	1,630	<1%
Asian/Pacific Islander	43	1%	6,548	1%
Others	11	<1%	243	<1%
Hispanic Origin	599	12%	210,767	48%
Renter Occupied Units				
White	1,437	56%	83,582	64%
Black	299	12%	9,090	7%
Native American	40	2%	1,172	<1%
Asian/Pacific Islander	183	7%	3,358	2%
Others	14	<1%	216	<1%
Hispanic Origin	594	23%	33,773	26%

Source: 1990 U.S.. Census Bureau Data.

Ownership rates listed in Table 23 reveal that Whites had the highest percentage (73 percent) of homeownership while Asian/Pacific Islander's had the highest percentage of rental rates (81 percent). All of the other races had relatively even rates between ownership and rentals.

Table 23

Homeownership Rates

Race	Owners	Renters	Ownership Rate	Rental Rate
White	3,855	1,437	73%	27%
Black	317	299	51%	49%
Native American	39	40	49%	51%
Asian/Pacific Islander	43	183	19%	81%
Other	11	14	44%	56%
Hispanic Origin	599	594	50%	50%

Source: 1990 U.S. Census Bureau.

Table 24 gives an analysis of 1990 U.S. Census data on "tenure by age" in Banning revealed adults age 65 to 74 own the highest percentage of homes, while younger adults ages 25 to 34 tended to rent.

Table 24

Tenure by Age of Householder (1990)

Age	City	Percent	County	Percent
Owner Occupied Units				
15 to 24	57	1%	4,099	1%
25 to 34	425	9%	47,566	17%
35 to 44	677	14%	58,709	22%
45 to 54	561	12%	41,981	16%
55 to 64	966	20%	40,474	15%
65 to 74	1,382	28%	46,751	17%
75 and over	796	16%	31,296	12%
Renter Occupied Units				
15 to 24	202	8%	17,214	13%
25 to 34	783	30%	43,934	34%
35 to 44	557	23%	27,878	21%
45 to 54	334	13%	14,369	11%
55 to 64	187	7%	9,717	7%
65 to 74	293	11%	9,519	7%
75 and over	211	8%	8,560	7%

Source: 1990 U.S.. Census Bureau Data.

Age and Condition of Housing Stock

The age and condition of the housing stock provide additional measures of housing adequacy and availability in many communities. Although age does not always correlate with substandard housing conditions, neighborhoods with a preponderance of homes more than 40 years old are more likely than newer neighborhoods to have a concentration of housing problems related to deferred maintenance, inadequate landscaping care, outdated utilities or interior amenities, and a need for housing rehabilitation.

Age of the Housing Stock

The year a structure was built can, be an indicator of the current condition of the housing unit. Housing units built before 1940 may be old, but may not necessarily be in a rundown condition. In contrast, newer homes may already be rundown due to abuse or general inadequacies. Table 25 shows that the highest percentages of housing units in the City were built during the 1980s (1968 represents the median year structures were built). Poor housing conditions do not necessarily correlate with the age of housing units. Rather, poor housing conditions result from a lack of maintenance and home repairs, which is a problem that can afflict all housing units regardless of age.

Table 25

Age of Housing Units

	Number of Units	Percentage
1939 or earlier	570	7%
1940 to 1949	881	11%
1950 to 1959	1,481	18%
1960 to 1969	1,459	17%
1970 to 1979	1,433	17%
1980 to March 1990	2,454	30%
Total	8,278	100%

Source: 1990 Census Bureau Data.

The number of bedrooms within a housing unit can also characterize the housing stock in a community, as shown in Table 26. Consistent with the City's image as primarily a single-family community, the overwhelming majority of homes in the City (46 percent) had 2 bedrooms the second

largest group had 3 bedrooms. Two-bedroom dwelling units had the highest number and highest percentage of vacant units in 1990. Even among larger homes one could find vacant units in 1990.

Table 26

Number of Bedrooms Per Housing Unit

	Total Units	Percentage	Vacant Units	Percentage
No Bedroom	255	3%	33	4%
1 Bedroom	1205	14%	92	11%
2 Bedroom	3763	46%	495	58%
3 Bedroom	2581	31%	200	24%
4 Bedroom	395	5%	27	3%
5+ Bedroom	79	1%	0	0%

Source: 1990 Census Bureau Data.

Overcrowding

Overcrowding typically results when either: 1) the housing costs of available housing with a sufficient number of bedrooms for larger families exceeds the family's ability to afford such housing, or 2) unrelated individuals (such as students or low-wage single adult workers) share dwelling units due to high housing costs. This can lead to overcrowded situations if the housing unit is not large enough to accommodate all of the people effectively. In general, overcrowding is a measure of the ability of existing housing to adequately accommodate residents and can result in deterioration of the quality of life within a community.

Banning had a relatively high incidence of overcrowding in 1990—892 households (12 percent) were overcrowded. Overcrowding occurred both in owner-occupied and rental housing units. There were 625 overcrowded rental units (24 percent of all rental units) and 267 overcrowded owner-occupied units (5 percent of all owner-occupied units). The extent of overcrowding is consistent with rising average household sizes and the number of large families, many of whom are low-income. Nearly 70 percent of the housing units in the City had between four and six rooms as shown on Figure 27.

Figure 27

Rooms per Housing Unit (1990)

1 Room	152
2 Rooms	556
3 Rooms	791
4 Rooms	1744
5 Rooms	2496
6 Rooms	1534
7 Rooms	655
8 Rooms	257
9+ Rooms	93

Source: 1990 U.S. Census Bureau.

The 1990 Census defines overcrowding as 1.01 or more persons per room, and extreme overcrowding as more than 1.5 persons per room. Since data in relation to overcrowding have not been broken down into housing type by number of rooms, type of household, or by household income, overcrowding must be evaluated in terms of other factors such as cultural expectations, size of rooms, availability and type of common areas or open space, and the age and relationship of persons in the unit. Table 28 and 29; summarize the overcrowding status in the City. Nine percent of the City's occupied housing units were overcrowded, compared to 8 percent of the County's occupied units.

Table 28

Persons Per Room in All Occupied Housing Units

Persons	City	Percent	County	Percent
0.50 or less	4,446	60%	234,646	58%
0.51 to 1.00	2,093	28%	126,920	32%
1.01 to1.50	423	6%	20,187	5%
1.51 to 2.00	235	3%	11,514	3%
2.01 or more	234	3%	8,801	2%

Source: 1990 Census Bureau Data

Table 29

Overcrowded Housing

Number of Persons per Room	Rental Units	Percent of Total Occupied Rental Units	Owner Units	Percent of Total Occupied Owner Units
City				
1.01 to 1.50	277	11%	146	3%
1.51 or more	348	14%	121	3%
Total	625	25%	267	6%
County				
1.01 to 1.50	10,583	8%	9,604	3%
1.51 or more	13,512	10%	6,803	2%
Total	24,095	18%	16,407	5%

Source: 1990 U.S. Census Bureau

HOUSING COSTS

Rental Rates

Rental housing costs in Banning are considered lower than those of the surrounding cities of Yucaipa and Hemet. In a conversation with a local realtor in Banning, he noted that he did not have any available listing for single-family housing and the constant availability of them is very slim. Single-family houses that become available on the market are rented within the first day of their listing. Average rental rate for two bedroom houses is between $650-$700, three bedroom houses have an average rental rate of $800-$900 and four bedroom rental rates are between $950-$1000.

Koby Faith Realtor specializes in Residential and Commercial Land. Single Family Lot price ranges from $30,000 up to $600,000. Lot sizes start from 7,200 square feet on up. Commercial Lot prices range from 70,000 to 900,000, depending on the size of the lot. There are fewer properties than there are buyers.

Coldwell Banker's had 40 single-family units for sale as of September 11, 2000. There were 19 two-bedroom houses with price ranges from $39,900 to $795,000, 18 three-bedroom houses for sale from $74,900 to $795,000(higher prices are usually a result of larger lots) and 3 four or more

bedroom houses from $114,900 to $249,000. They had 27 vacant property units. Their prices varied from $12,000 for $40,946 sq ft. for a single-family lot to $699,000 for 42,000 sq ft. for a commercial lot. The median land price was about $59,900 for a 39,204 sq ft single-family lot.

According to the City of Banning, sales prices of existing homes range from $70,000 to $250,000 for a three or four bedroom unit. Three and four bedroom house rentals range from $650 to $850 per month. One and two-bedroom apartments rental range from $275 to $535 per month. Executive level homes are also available in the San Gorgonio Pass. In Banning, there are 11 hotels and motels, with 285 rooms. Also, there are 15 mobile home parks in the city with 1,007 spaces. 2,769 spaces are located within the community area.

Table 30

Rental Rates in Banning (2000)

Name/Type	1 Bed	2 Bed	3 Bed	4 bed
Apartments				
Lamplighter		$470	$490	
West view Terrace*	$628	$716	$888	$967
Windscape Village	$390	$450		
Banning Trailer Park and Motel**	$300-350			
Homes, Condominiums, and 4-plexes,				
Home				
Coldwell Banker		19	18	3
Condominium				
4-plex				

Source: Coldwell Banker, Lamplighter, West view Terrace, Windscape Village and Banning Trailer Park and Motel.

* West View Terrace is Section 8 Housing; the rental price depends on the person's income. The prices listed for this section are as of 9/8/00.

** Banning Trailer Park and Motel has monthly rental apartment.

Table 31

Mobile Home Park Space Rental Rates

Name	Total Spaces	Average Monthly Rent
Banning Trailer Park and Motel	62	$179 a month

Source: Banning Trailer Park and Motel.

Home Prices

Table 32

Home Prices in Banning (1999-2000)

	Bedrooms	Units Sold	Median	Average	Range	% of Total
Single Family Homes						
	1	17	$25,000	$42,500	$13,000 to $127,000	3%
	2	281	$65,750	$114,151	$1,000 to $1,273,000	49%
	3	243	$92,500	$119,599	$8,000 to $279,000	42%
	4	28	$87,500	$95,875	$30,000 to $240,000	5%
	5+	3	$110,000	$110,666	$35,000 to $187,000	1%
Total	--	572				
Multi-Family Homes/Condominiums						
	1	16	$8,500	$10,281	$2,000 to $30,000	23%
	2	54	$91,000	$94,454	$8,000 to $174,500	77%
	3					
	4+					
Total	--	70				

Source: LA Times, August 2000.

Table 33

Comparative Average New Home Prices (1999)

County	Average Price
San Diego	$260,000
Ventura	$347,000
Orange	$318,000
Los Angeles	$266,000
Riverside	$195,500
San Bernardino	$177,000

Source: Inland Empire Quarterly Report, October 1999.

INCOME AND AFFORDABILITY

In 1990, 341 homeowners age 65 and older paid 30 percent or more of their income on housing. This represented 22 percent of all elderly homeowners. However, approximately 59 percent (289 renters) of elderly renters were paying 30 percent or more of their income on housing.

Table 34

Number of Households Paying Over 30 Percent of Income on Housing

Income	Owners	Renters	Total
Very Low-Income	54	165	219
Lower-Income	441	876	1,317
Total	495	1,041	1,536

Source: 1990 Census Bureau Data.

Note: 1990 Census data uses income ranges that do not correspond exactly to the income categories. Therefore, there are people in the lower-income category that actually fall into the moderate-income category and likewise between the very low- and lower-income categories. The numbers in the table include more persons than are actually in those categories.

Table 35

Housing Expenditure Rate per Income Group

Income	<$10,000	$10,000-$19,999	$20,000-$34,999	$35,000-$49,999	$50,000+	Total Households
Owners						
30%+	1%	5%	13%	9%	<1%	251
35%+	12%	34%	17%	7%	0	668
Total Households	214	281	310	112	2	919
Renters						
30%+	6%	20%	14%	0	1%	267
35%+	79%	47%	3%	0	0	895
Total Households	617	424	118	0	3	1162

Source: 1990 Census Bureau Data

Affordability Trends

Table 36

Affordability of Rental Housing in Relation to Income

Income Group	Affordable Rent Limit	% of City Rentals	% of County Rentals
Very Low	$281	19%	9%
Low	$450	12%	17%
Moderate	$615	73%	36%

Source: 1990 U.S. Bureau of Census

Table 37

Sold Units Affordable to Lower-Income Households (1999)

Income Group	Affordability Level	Homes Sold in 1999-00	Percent of All Houses Sold
Very Low-Income	$33,771	74	13%
Low-Income	$54,033	163	28%
Moderate-Income	$81,051	307	54%

Source: LA Times Home Prices, 1999-2000.

CURRENT HOUSING NEEDS

Regional Housing Needs Assessment (RHNA)

The State Housing Law requires the Southern California Association of Governments (SCAG) to identify existing and future housing needs for the region every five years. The 1998 RHNA identifies each jurisdiction's Existing Housing Need, as of January 1, 1998, and Future Housing Need for the July 1, 1998 to July 1, 2005 period.

Existing need is evaluated based on overpayment by lower income households (SCAG has used the figure 30 percent or more of income) and the need to raise vacancy rates in the jurisdiction to a level at which the market would operate freely.

The methodology used to determine the future need took into consideration the growth in number of households expected, the need to achieve ideal vacancy rates, and compensation for anticipated demolition. Then an "avoidance of impaction" adjustment was calculated. This is done to avoid further concentration of low-income units in jurisdictions that have more than the regional average.

The City must use the numbers allocated under the RHNA to identify measures (policies and ordinances) that are consistent with meeting these new construction goals. They are not meant to be a quota for development. In other words, the City must make it possible for units to be built but is not obligated to build any of the units. Between 1998 and February 2000, the City processed four demolition permits for single-dwelling units and one building permit to repair the foundation of a dwelling unit.

According to the RHNA, the City of Banning has a total housing construction need of 1,780 units and an annual need of 237 units. Banning 1998-2005 planning period allocation is as follows:

Table 38

Regional Housing Needs Assessment (1999)

481	27%	Very Low Income:	Household income is less than 50% of the county median income.
285	16%	Low Income:	Household income is between 51% and 80% of the county median income.
409	23%	Moderate Income:	Household income is between 81% and 120 % of the county median income.
604	4%	Above Moderate Income:	Household income is greater than 120% of the county median income.

Source:SCAG 1998-2005 Projections.

Income limits are established by the U.S. Department of Housing and Urban Development (HUD) annually and published by the State Office of Housing and Community Development. The most recent income limits were effective as of March 2000 and the Riverside County numbers are as follows for a four-person household:

Table 39

HUD Income Limits

Extremely Low Income	30% of the median	Up to $14,220 a year
Very Low Income	30% to 50% of the median	Between $14,221 and $23,700 per year
Low Income	50% to 80% of the median	Between $23,701 and $37,920 per year
Moderate Income	80% to 120% of the median	Between $37,921 and $56,880 per year
Above Moderate Income	Above 120% of the median	Greater than $56,881 per year
Median	$47,400	

Source:HUD Income Limits 1999.

CONSTRAINTS

The City of Banning recognizes the need for sound, affordable housing for all of its residents, this goal is not easy to achieve. The City itself does not produce housing and its resources to encourage others to do so are limited. In addition, there are market constraints in the operation of the construction industry, laws and regulations (Subdivision Map Act and Uniform Building Code), and physical constraints, which impact the cost and amount of housing produced and over which the City had no control.

Price of Housing/Land

According to the California Association of Realtors, housing prices have been rising in the area, with gains of 17.7 percent between August 1999 and August 2000. Based on recent sales, the average three-bedroom unit is $119,599.

Market Constraints

The major components of housing costs are construction costs, labor costs, land costs and market financing. The single largest cost associated with building a new house is the cost of building materials, comprising between 40 to 50 percent of the sales price of a home. According to a local developer, construction costs in Banning are moderate. Highland Estates is a new single-family development with 45 homes, their prices range from $120,000 to $150,000. Construction and labor costs for a wood framed, single-family house are about $46 per square foot or $69,000

a unit. The cost of raw land is running between $8,000-$12,000 a unit. Development cost including sewer and other underground utilities is between $17,000 and $22,000 a unit. The current permitting cost is about $9,000 a unit. Marketing costs is running about 8 percent or $10,800 of the sales price. Local realtors and developers indicate land costs in Banning are comparable to nearby areas, and are lower than in metropolitan areas to the west (e.g. Riverside and San Bernardino). The average sales price for all homes sold in Banning between 1999 and June 2000 was $42,500 for a one bedroom up $110,666 for 5 or more bedrooms.

Maintaining Public Open Space

Open space is a valuable resource as it discourages noncontiguous development patterns that result in sprawl and inefficient use of community service funds. Open space also maintains the natural character of the area so that urbanization does not become out of control and cities do not lose their natural resources. Open spaces are beneficial to the responsible growth of cities and offer many environmental, recreational, and psychological benefits to the community. The City does not require common open space in any of its residential zones. However, if a developer chooses to construct a planned unit development, which the City permits, a minimum of 30% of the gross site area must be designated for common open space.

ENVIRONMENTAL INFRASTRUCTURE CONSTRAINTS

Infrastructure

Another factor adding to the cost of new construction is the cost of providing adequate infrastructure. Major and local streets; curbs, gutters, and sidewalks; water and sewer lines; and street lighting are required to be built or installed in new developments. These infrastructure improvements are, in most cases, dedicated to the City, which is then responsible for their maintenance. The cost of these facilities is borne by developers, is added to the cost of new housing units, and is eventually paid for by the homebuyers or property owners.

Since the City and most of its developments are quite old, infrastructure, including streets, sewers, storm drains, and water lines, are quickly aging and in need of repair. To offset the cost of installation and repair, new developments are required to provide on-site infrastructure and pay an impact fee for these facilities. There are no infrastructure limitations on the City's ability to accommodate affordable housing, nor are there infrastructure or public service constraints on remaining sites potentially suitable for affordable housing. One potential problem commented by a local developer was the several open channels and underground drains that have been constructed within the planning area there has been slight difficulty to build housing around them. .

NON-GOVERNMENTAL CONSTRAINTS

Availability of Financing

The City has not uncovered any local constraints to the availability or cost of financing for home purchases or rehabilitation that differ significantly from the availability and cost of financing generally in California. Even in older neighborhoods of the City, there are no barriers to obtaining financing for home purchase, improvement, or construction (other than customary underwriting considerations by lenders).

The primary factor related to home finance affecting housing affordability and availability is the cost of borrowing money (interest rates). Historically, substantial changes in interest rates have correlated with swings in home sales. When interest rates decline, sales increase. The reverse has been true when interest rates increase. Over the past two decades, there has been a dramatic growth in alternative mortgage products, such as graduated mortgages and variable rate mortgages. These types of loans allow homeowners to take advantage of lower initial interest rates and qualify for larger home loans. Even during periods of high interest rates, these alternative products allow more buyers to qualify for homeownership, thus dampening the swings in home sales that accompany changes in interest rates.

Nevertheless, the fixed interest rate mortgage remains the preferred type of loan, especially during periods of low, stable interest rates. Most governmental programs that seek to increase homeownership among low- and moderate-income households rely on loan products that provide fixed interest rates below prevailing market rates, either for the principal loan or for a second loan that provides part of the down payment for home purchase. Many programs offer deferred second loans to facilitate homeownership. Table 40 shows various monthly payments necessary to service mortgages at various interest rates. Financing is currently at 10 percent in the area.

Table 40

Monthly Payments and Total Interest at Various Interest Rates

	15-Year Loan			30-Year Loan		
Interest Rate	Payment per $10k	Total Interest Paid	% Difference Payment/Interest	Payment per $10k	Total Interest Paid	% Difference Payment/Interest
6%	$84.39	$5,189	---	$59.96	$11,583	---
7%	$89.88	$6,178	6.5%/19.0%	$66.53	$13,950	11.0%/20.4%
8%	$95.57	$7,202	6.3%/16.6%	$73.38	$16,415	10.3%17.7%
9%	$101.43	$8,256	6.1%/14.6%	$80.46	$18,966	9.6%/15.5%
10%	$107.46	$9,343	5.9%/13.2%	$87.76	$21,593	9.1%/13.9%

GOVERNMENTAL CONSTRAINTS

Zoning of Available Land

The City has approximately 10,797 acres of residential land, less than five percent of which are underdeveloped and feasible redevelopment options. Most of the land in the City is zoned low density residential or where multi-family units are not permitted, locating available land where higher density dwellings are permitted can become difficult, particularly as build out occurs.

Land Use Controls

Banning encourages residential development in its jurisdiction, and as of 1989 did not anticipate any measures to limit residential growth. Residential uses are only permitted in residential zones as shown in the table. However, conversions of commercial uses in commercial zones to residential uses are permitted with the approval of a conditional use permit. This only applies to existing structures and does not permit the construction of new residential units in commercial zones.

The zoning ordinance provides for a full range of residential types and densities dispersed throughout the community. Densities range from 0-1du/acre in Rural Residential areas to 12-24 du/acre in the areas designated for High Density Residential development.

Local Processing and Permit Procedures

The evaluation and review process required by the City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately manifested in the selling price of the home. The review process in Banning is governed by the City Council and Planning Commission, or depending on the project, it might be reviewed by The Planning Department.

City staff seeks in all cases to streamline approval processes wherever possible. Conditional use permits, rezones, tentative maps, and plan checks are all processed within approximately two months, if an environmental impact report isn't necessary, and assuming that there are no significant issues affecting the project. If environmental processing is necessary, or if it is necessary to resolve special issues, processing times are streamlined to the extent possible within statutory limits governing review periods.

Due to the extent of development applications received by Staff in recent years and desire the minimize project review time, the City has implemented an Alternative Permit Processing system which provides project applicants the opportunity to hire a City-approved consultant to conduct project review.

Fees and Improvements

Much of the Banning jurisdiction is undeveloped land without most of its necessary infrastructure, such as streets, sewers, electrical, and water facilities, yet in place. As such, the cost of land improvements can be expected to be more than in highly urbanized areas. Under the City's "Density Bonus and Other Incentives for Lower Income and Senior Housing" provisions, a variety of development concessions such as reduced street widths, allowances for the provision of rolled curbs, reduced parking requirements, and alternative building materials, are offered as incentive for the provision of affordable units.

ENERGY CONSERVATION OPPORTUNITIES

There are many opportunities for conserving energy in new and existing homes. Construction of energy efficient buildings does not lower the price of housing. However, housing with energy conservation features should result in reduced monthly occupancy costs as consumption of fuel and energy is decreased. Similarly, retrofitting existing structures with energy-conserving features can result in a reduction in utility costs. Examples of energy conservation opportunities include weatherization programs and home energy audits; installation of insulation; installation or retrofitting of more efficient appliances, and mechanical or solar energy systems; and building design and orientation which incorporates energy conservation considerations.

Many modern design methods used to reduce residential energy consumption are based on proven techniques that have been known to humans since the earliest days of collective settlement. These methods can be categorized in three ways:

1. Building design that keeps natural heat in during the winter and keeps natural heat out during the summer. Such design reduces air conditioning and heating demands. Proven building techniques in this category include:

    - location of windows and openings in relation to the path of the sun to minimize solar gain in the summer and maximize solar gain in the winter;
    - use of "thermal mass," earthen materials such as stone, brick, concrete, and tiles that absorb heat during the day and release heat at night;
    - "burying" part of the home in a hillside or berm to reduce solar exposure or to insulate the home against extremes of temperature;
    - use of window coverings, insulation, and other materials to reduce heat exchange between the interior of a home and the exterior;
    - location of openings and the use of ventilating devices that take advantage of natural air flow (particularly cool evening breezes); and
    - use of eaves and overhangs that block direct solar gain through window openings during the summer but allow solar gain during the winter.

2. Building orientation that uses natural forces to maintain a comfortable interior temperature. Examples include:
   - north-south orientation of the long axis of a dwelling;
   - minimizing the southern and western exposure of exterior surfaces; and
   - location of dwellings to take advantage of natural air circulation and evening breezes.

3. Use of landscaping features to moderate interior temperatures. Such techniques include:
   - use of deciduous shade trees and other plants to protect the home;
   - use of natural or artificial flowing water; and
   - use of trees and hedges as windbreaks.

In addition to natural techniques that have been used for millennia, a number of modern methods of energy conservation have been developed or advanced during the present century. These include:

- use of solar energy to heat water;
- use of solar panels and other devices to generate electricity;
- window glazing to repel summer heat and trap winter warmth;
- weather-stripping and other insulation to reduce heat gain and loss; and
- use of energy efficient home appliances.

State Building Code Standards

Policy H3.5 of the City's 1995 Housing Element requires compliance with Title 24 as discussed below. Compliance with Title 24 will enable homeowners to reduce energy consumption.

The California Energy Commission was created in 1974 by the Warren-Alquist State Energy Resources Conservation and Development Act (Public Resources Code 25000 et seq.). Among the requirements of the new law was a directive for the Commission to adopt energy conservation standards for new construction. The first residential energy conservation standards were developed in the late 1970s (Title 24, Part 6 of the California Code of Regulations) and have been periodically revised and refined since that time.

Residential site design and construction techniques that can reduce the amount of energy used for space cooling would significantly reduce overall energy demand. As discussed above, a number of traditional and modern techniques can decrease energy used for space cooling, including:

- the orientation of buildings and windows with respect to the path of the sun;
- landscaping to shade insulated buildings;
- insulation in walls and ceilings;
- thermal mass to absorb solar energy during the day and release it at night; and
- window treatments to reduce solar gain during the day.

The City of Banning operates under the Banning Municipality, a private utilities company. They are currently using an energy program called HEAP, which provides up to a $311 reduction of a person's yearly utility bill. A person can qualify by meeting the low-income guidelines or are a senior citizen. Banning Municipality is currently looking to add an Energy Service Representative to their staff; this person will be in charge of rebates and energy efficient programs.